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Chair: Mr. Raj Saini



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• (1500)

[English]

The Chair (Mr. Raj Saini (Kitchener Centre, Lib.)): Welcome, members, to the fourth meeting of the Special Committee on the Economic Relationship between Canada and the United States. Pursuant to the motion adopted by the House on February 16, 2021, the special committee is meeting to discuss the economic relationship between Canada and the United States. Given the timelines adopted in the House motion, the focus today will be on Line 5.

I would like to now welcome our first witness for our first panel, Mr. Vern Yu, executive vice-president and president of liquids pipelines.

Mr. Yu, thank you so much for joining us here today. We look forward to a very informative discussion. The floor is yours now for five minutes, and then we will proceed to questions.

Mr. Vern Yu (Executive Vice-President and President, Liquids Pipelines, Enbridge Inc.): Thank you, Mr. Chair.

Mr. Chair and members of the committee, I want to thank all of you and your respective caucuses for your leadership and support of Line 5. It has truly been a team Canada approach, and we are very appreciative of the support we have received.

I'm Vern Yu. I run our liquids pipelines business here at Enbridge, and I'm responsible for Line 5.

Enbridge is North America's largest energy delivery company. We deliver crude oil, natural gas and renewable power. Last year, we announced a series of ESG performance goals, including a detailed plan to achieve net-zero emissions by 2050, but I'm here today to talk about Line 5.

Let me be very clear. Our goal has always been to resolve the current dispute on Line 5 through negotiation or mediation. We believe it's in the best interests of both Canada and the United States to keep the pipeline running while we build the Great Lakes tunnel as fast as we can.

The stakes could not be higher. Line 5 is not just a pipeline. It's an economic lifeline for both Canada and the U.S. A disruption would impede access to the energy that's needed to run our economies. It would cause energy shortages and significantly impact the price of gasoline, diesel, propane, jet fuel, plastics and chemicals. Closure threatens thousands of good-paying jobs across both countries. Our roads, our railways and our seaways would see much greater environmental risks, with more trucks, more trains and more tankers attempting to replace Line 5.

Line 5 provides over 50% of the crude oil that's used in Ontario and Quebec. Line 5 feeds the Sarnia petrochemical complex, which plays a key role in providing propane and butane. The line also provides the feedstock for a very significant petrochemical industry in Montreal.

In the U.S., the products moved on Line 5 heat homes and businesses, fuel vehicles and planes, and power industry. In fact, Line 5 supplies 55% of Michigan's propane needs. It also fuels the economies of Ohio, Wisconsin, Indiana and Pennsylvania, so a disruption to the operation of Line 5 would hurt economies on both sides of the border.

Terminating our 1953 easement, which allows the pipeline to cross the Straits of Mackinac is a clear violation of the Canada-U.S. transit pipeline treaty, which was signed in 1977. Enbridge and the State of Michigan are already working on a mutually agreed-upon solution.

The Great Lakes tunnel is a \$500-million U.S. private investment to be made by Enbridge. The tunnel would bury the pipeline deep beneath the straits. While the current pipeline is safe and has operated incident-free for more than 65 years, the tunnel will make a safe pipeline even safer.

However, until we build the tunnel, the pipeline must stay open. Safety is not only a core value at Enbridge; it's the foundation to our business. We monitor the straits 24-7 using very specially trained staff and very sophisticated monitoring systems. The people who live, work and enjoy the waterways near our pipelines expect us to operate safely. This is our highest priority.

The tunnel represents an opportunity to modernize a critical energy asset with the latest technology while not only protecting good-paying union jobs and preserving North America's energy security, but also protecting the environment and enhancing safety. We believe a binational diplomatic solution can resolve this in a timely manner, allowing everyone to get back to building the tunnel.

On the Canadian side of the border, we believe that continuing to advance a team Canada approach is the best way to go forward, raising the importance of Line 5 at every available opportunity with the officials in the U.S. and underscoring the application of the transit pipeline treaty. We also request that the Government of Canada use every pathway to assert that Line 5 is an important binational pipeline protected by the treaty, whose shutdown would have grave impacts for both the United States and Canada.

• (1505)

Time is of the essence. We need to work together to ensure that both sides of the border continue to have a safe, affordable and reliable supply of energy.

Thank you again for your leadership on and continued support for Line 5.

The Chair: Thank you, Mr. Yu.

We'll now start the first round of questions, with Ms. Gladu for six minutes.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Thank you, Chair.

Thank you, Mr. Yu, for appearing today.

As the member for Sarnia—Lambton, I know clearly that my riding will be impacted if Line 5 is shut down. We'll lose more than 20,000 jobs. That's in my community alone.

I heard you talk about the binational solution that you believe will help us come to an answer here. With all the different states involved, are you convinced that it's President Biden who will have the power to bring the governor into line, and that it's up to our Prime Minister to call for that?

Mr. Vern Yu: We are proceeding along multiple avenues to keep the pipeline operating until we see the tunnel completed.

The first thing we're working on is to have, within the United States, the safety and reliability of the pipeline regulated by the U.S. federal government, which we believe is the proper form of regulation. The U.S. regulator, who is responsible for pipelines, has indicated numerous times that the pipeline is safe and fit for service, so I think it's very important for us to convince the U.S. federal government that is the proper way.

One of the things we're requesting of the Government of Canada is to provide support in our Federal Court filings, to ensure it's understood that this should be under federal jurisdiction. We will also ask the provinces to support the federal government in these assertions.

All that being said, obviously we would like to continue to work with the state, because we believe the pipeline is critical for the entire Great Lakes region—Ohio, Indiana, Pennsylvania and other states—as well as for Ontario and Quebec. It's a matter of reinforcing the critical nature of this asset and of the energy security for the entire Great Lakes region.

Ms. Marilyn Gladu: To be clear, it's a federal treaty that permitted its existence, so it's really up to the federal government in the U.S. to rule, if it comes to that.

Mr. Vern Yu: We believe so.

Ms. Marilyn Gladu: Could you give me a brief history of the legal interaction between Governor Whitmer and Enbridge?

Mr. Vern Yu: I think this latest controversy started in November. I believe it was on November 13 that the governor filed, in Michigan state court, that the State of Michigan believed we were in violation of the safety aspects covered by the 1953 easement, whereby we have a duty of care to ensure the pipeline is operating reasonably.

• (1510)

Ms. Marilyn Gladu: You said that in over 65 years there's been no environmental impact. I believe the EPA and the State of Michigan verify that as well every year. Is that true?

Mr. Vern Yu: The state is claiming that we're in non-compliance with the easement. We have vigorously filed in U.S. federal court that we are in full compliance with the easement and in full compliance with the U.S. federal regulator, which is the Pipeline and Hazardous Materials Safety Administration, PHMSA, in terms of operating the pipeline safely and reliably.

The pipeline has been in service for over 65 years with no incidents on the straits, so—

Ms. Marilyn Gladu: I read one thing from Ambassador Hillman, who has been trying to negotiate. She was in discussions with Michigan and the governor, and she said the discussions have broken down. Can you shed any light on that?

Mr. Vern Yu: I believe Ambassador Hillman tried to open a channel for dialogue with the governor, and my understanding is that the governor was not open to having any dialogue.

Ms. Marilyn Gladu: I know Minister O'Regan has also been trying, unsuccessfully, to get a meeting with Governor Whitmer, but I think Catherine McKenna was able to get a meeting. Did you have any interactions to find out what the result of that meeting was?

Mr. Vern Yu: I have not heard about that particular meeting.

Ms. Marilyn Gladu: All right.

Could you describe the impact to your customers and what they are telling you will happen if Line 5 goes down?

Mr. Vern Yu: If Line 5 is shut down, our customers will lose about 50% of the crude oil they need to run at their refineries. Those would be refineries in Michigan, in Ohio, in Ontario, in Quebec, in Pennsylvania and in Indiana.

Ms. Marilyn Gladu: What are the alternatives for them?

Mr. Vern Yu: In the near term, there are no immediate alternatives to replace 540,000 barrels a day of crude oil and natural gas liquids. In the longer term, you would have to build rail off-loading facilities and truck off-loading facilities in those states and provinces to replace the pipeline. Obviously, that takes time. You need to find a site. You need permits. You have to build that infrastructure.

Along with that, you would have to build new railcars that are specially designed for crude oil or NGL. Those railcars aren't available right now. You would also have to build new trucks to carry all that crude and natural gas liquids to market.

A shutdown of Line 5 would cause an immediate shortage of energy in the region. It would drive up prices very significantly. The replacement of that would be years away.

The Chair: Thank you, Ms. Gladu.

We will go now to Mr. Housefather for six minutes, please.

Mr. Anthony Housefather (Mount Royal, Lib.): Thank you very much.

Mr. Yu, thank you for being before the committee today. I want to say how strongly I feel that the Government of Canada and members of this committee have to do everything in our power, with a team Canada approach, to keep Line 5 operational. We are with you in this.

I'd like to get some things onto the record of the committee. I'll ask for some brief answers, because there are some facts that I want to make sure we have when we question future witnesses.

Line 5 is 645 miles, running from Wisconsin to Michigan's upper peninsula to the lower peninsula to Ontario, but the only area that is covered by the disputed easement is the four-mile dual-pipeline stretch running under the Straits of Mackinac. Is that correct?

Mr. Vern Yu: Yes.

Mr. Anthony Housefather: The easement, as Ms. Gladu has said, has been in place since 1953. There has never been any product released into the Straits of Mackinac. Is that correct?

Mr. Vern Yu: Yes.

Mr. Anthony Housefather: Would it be correct to say that the action taken by Michigan to terminate the easement was based purely on speculative fears, with no concrete evidence of any product that ever was released?

Mr. Vern Yu: That is correct.

Mr. Anthony Housefather: Would it be correct to say that a study was done showing that the dual-structure pipeline has a risk of failure of less than 0.05% per year—less than one in 2,000 times?

Mr. Vern Yu: That is correct.

Mr. Anthony Housefather: Is it also correct that since the easement was granted, the U.S. Congress adopted a pipeline safety act, which is administered by PHMSA and should be responsible for safety standards for interstate and international pipelines such as this one?

• (1515)

Mr. Vern Yu: Yes.

Mr. Anthony Housefather: As such, to clarify, would it be Enbridge's position that the State of Michigan lacks authority to shut down this pipeline structure, as that would be a matter of exclusive federal authority?

Mr. Vern Yu: Absolutely.

Mr. Anthony Housefather: I believe, and I think you would agree, sir, that in addition to what has already been raised, there would be a significant constitutional question of jurisdiction under the commerce and foreign commerce clause of the U.S. constitution. Is that correct?

Mr. Vern Yu: Yes.

Mr. Anthony Housefather: Is it correct that Enbridge has gone to the Federal Court and asked for a declaratory judgment to say that until the Great Lakes tunnel project is complete, Line 5 should be able to continue to run uninterrupted?

Mr. Vern Yu: That is correct, subject to the oversight of PHMSA.

Mr. Anthony Housefather: Exactly.

What is the status right now of that case? Where is that case in terms of filings?

Mr. Vern Yu: The filing that the state made to the Michigan state court is on hold right now, pending review at the U.S. federal court. The U.S. federal court is in the process of making a determination on jurisdiction, on whether the arguments we have made should be heard in federal court or in state court. The first hearing on that is scheduled for May 12.

Mr. Anthony Housefather: Is it correct to say that a joint mediator has been appointed? That is something I have heard.

Mr. Vern Yu: The court instructed Enbridge and the state to seek mediation parallel to the court process.

Mr. Anthony Housefather: Has that mediation process begun?

Mr. Vern Yu: We had our initial meeting with the mediator on the weekend.

Mr. Anthony Housefather: Can I ask if it was positive? I can totally understand if you don't want to comment.

Mr. Vern Yu: I believe it's too early to comment.

Mr. Anthony Housefather: Fair enough.

You mentioned in your answer to my colleague, Ms. Gladu, that you were hoping the federal government and the provinces would involve themselves by filing, I guess, amicus curiae briefs in the lawsuit, declaring that they supported Enbridge's position that this was a federal matter of jurisdiction in the U.S.

Mr. Vern Yu: We believe that would be very helpful.

Mr. Anthony Housefather: I understand. That's good for the committee to know.

Could you also speak to this? We talked a bit about the Michigan executive. We know that the House of Representatives and Senate in the state of Michigan are controlled by the other party. Is there any possibility of an intervention by the Michigan legislature that you are aware of?

Mr. Vern Yu: I'm not aware of any actions at this point.

Mr. Anthony Housefather: I guess this would be another question. Enbridge has stated pretty confidently that it intends to continue operations past the May 12 deadline that the state has provided. How does Enbridge believe it will do so? Would it be the state that would need to secure an injunction to stop the pipeline from operating, or would it be Enbridge that would need to secure an injunction to stop the state's action to revoke the easement? I wasn't clear on that.

Mr. Vern Yu: The state would need to get an injunction from a court to stop our operations.

Mr. Anthony Housefather: My main question now, based on all of these facts and evidence, is this: What can the committee and its membership—not the Government of Canada now, but the committee and its membership—best do to help Enbridge in its desire to continue operating the line? How can our membership be useful with respect to talking to reps in Michigan? Just let us know.

Mr. Vern Yu: As I referenced in my prepared remarks, it's very important for us to engage with all members of U.S. governments, whether state or federal, to make sure people have a clear understanding of the facts you've just raised: that the pipeline should be regulated by the U.S. federal government, that the pipeline is in compliance with all U.S. federal regulations, and that the regulator has signed off on the safety of the pipeline numerous times, including very recently. The pipeline has operated for over 65 years with no incidents.

The pipeline is critical to the energy security of the entire Great Lakes region. A shutdown of the pipeline would cause great economic harm to citizens in both the United States and Canada.

At Enbridge we are committed to building the Great Lakes tunnel as quickly as we can, and we will do that a hundred per cent with private money. We understand the importance of safety; we understand the importance of preserving the Great Lakes, and we're committed to doing both of those things.

• (1520)

The Chair: Thank you, Mr. Housefather.

[Translation]

Mr. Savard-Tremblay, you have the floor for six minutes.

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Good afternoon, everyone.

I thank our witness for being with us today.

Mr. Yu, I'd like to ask you a question that I have asked at past meetings of this committee, because unfortunately we have never received a clear answer to it.

Do you have any specific numbers on the potential job losses in Quebec that could result from shutting down Line 5?

[English]

Mr. Vern Yu: I don't have the specific job losses for the industries that would be affected in Quebec. I think that should be answered by Suncor and Valero, which are the primary operators of the refineries in Quebec. Obviously, there's also the chemical industry in eastern Montreal, which would be affected as well. Those companies would be in a better position than I am to comment on

the closure of Line 5, which would have grave implications for Line 9, which today flows crude into the province of Quebec.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Let me ask you about Line 3 as well.

It has been reported in the media recently that the construction costs for Line 3 are rapidly increasing. The Canadian portion has been built, but the U.S. portion remains to be done, I believe.

Can you explain why construction costs have gone up so much?

[English]

Mr. Vern Yu: Line 3 is a replacement project for a pipeline that was built in the late 1960s. In 2014 we got approval from the Canada Energy Regulator and our customers to go ahead and replace that pipeline in Canada. Then we've just recently gotten approval from the State of Minnesota to replace the portion of that line in that state.

It's a \$10-billion project on both sides of the border. It provides the latest technology and significantly enhances the safety and reliability of that pipeline.

When we got approval to build the pipeline in Minnesota, it came with some very stringent environmental conditions regarding how we'd do that pipeline replacement. Those environmental conditions, coupled with the fact that we're building a pipeline in the winter as opposed to in the summer, have caused the cost of that pipeline to go up relatively significantly.

The costs were also impacted by the fact that there was about a two-year delay in the regulatory process, for multiple reasons, in the state of Minnesota. Obviously, time costs money. There were really three big factors that caused about a \$1-billion cost increase for building a roughly 300-mile pipeline in the state of Minnesota: winter construction, regulatory environmental oversight and a two-year delay.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you for the explanation.

Do you currently have a specific timeline for what happens next? Also, do you expect any other cost increases?

[English]

Mr. Vern Yu: In Minnesota we are operating and constructing as we speak. We will finish sometime in the summer, and hopefully we'll be able to have the pipeline up and running by the start of the fourth quarter. At that time we'll be able to let people know whether our cost estimate was close or whether it has changed since the numbers we provided recently.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Let's come back to Michigan and the good old Line 5. You said earlier to one of my colleagues that the governor of Michigan's fears were completely unfounded and that you had conducted studies to prove it. I assume that you have shared the studies with the governor.

How is it that they did not break the impasse, if you are quite certain it is scientifically proven that Line 5 presents no danger and there is nothing to worry about?

• (1525)

[English]

Mr. Vern Yu: We've done numerous studies on the safety of Line 5. So has the U.S. pipeline regulator, PHMSA.

The administration of Governor Snyder, prior to that of Governor Whitmer, commissioned a third party to look at the safety of the line. That study confirmed the safety of the line as well, so we've done it. The U.S. federal government has done it, and the prior state administration in Michigan has done it as well, so multiple studies have concurred regarding the safety of the pipeline.

[Translation]

The Chair: You have 15 seconds left, Mr. Savard-Tremblay.

Mr. Simon-Pierre Savard-Tremblay: I won't have time to ask a question in 15 seconds, so I thank our witness.

The Chair: Thank you, Mr. Savard-Tremblay.

[English]

We will go to Mr. Blaikie, for six minutes.

Go ahead, please.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

We've found already so far in this study that there's pretty widespread agreement around the table that whatever our positions around transitioning to a different kind of energy economy might be, suddenly shutting off a significant amount of the current supply is not going to go well, not just for the industry, but for all the people who work in that industry and the people who depend on that product for their business and heating their homes and wherever else that product ultimately lands.

This committee has been struck. We've been tasked with reporting on this Line 5 issue on a very short timeline, but given the amount of agreement around the table so far in terms of what Canada's position should be, and given that it seems that it is in fact the position of the Government of Canada, I'm just wondering.... It takes a lot of resources to have a committee and a study like this. Is there anything the Government of Canada, in your opinion, ought to be doing or should commit to doing that it's not already doing? Is there anything this committee ought to be doing or could do in order to impact a decision that is ultimately clearly within the jurisdiction of the United States at whatever level, whether that ends up being at the federal level or the state level?

Mr. Vern Yu: It's very important that the Canadian government and the provincial governments of Ontario, Quebec, Saskatchewan

and Alberta make it very clear that Line 5 is a critical piece of energy infrastructure for Canada, for all the reasons we've talked about already.

It's very important for the Canadian governments to make the U.S. governments, both state and federal, understand that this is a very important binational issue, that the energy security of both the states in the U.S. Great Lakes region and of Ontario and Quebec relies on this piece of energy infrastructure, and that we need to find a diplomatic solution to resolve the differences we have today with the State of Michigan.

It's very important, even though everyone seems to be in agreement about this, to continue to work this file as vigorously as we can. We need to make sure we put our best foot forward at the federal court and that we continue to lobby all governments in the United States to have a dialogue and come up with a diplomatic solution to the problem we face today.

Mr. Daniel Blaikie: As I say, that seems to be something that people on the Canadian side are pretty committed to. Are you concerned that there's any particular government that isn't undertaking to advocate in the way you suggest?

Mr. Vern Yu: At this point, everyone is, and as I mentioned in my opening remarks, we're very thankful for the support we have from team Canada. I think it's very important that we not take our foot off the gas.

• (1530)

Mr. Daniel Blaikie: In terms of things the committee might be able to recommend above and beyond what has already been committed, are there any extant initiatives that the provincial or federal governments might take from within Canada in order to try to arrive at an outcome that would see Line 5 continue to operate until a replacement pipeline is built?

Mr. Vern Yu: It's important to reiterate that we need to keep the diplomatic channels open; we need to file all the briefings we need to file in court, and we need to ensure that we let Canadians know that all of us collectively are looking after their best interests.

Mr. Daniel Blaikie: Am I to understand, then, that the decision about whether or not this pipeline will continue to operate will come down to an application by the State of Michigan for an injunction, and it will be a judge in Michigan who decides whether or not the pipeline will continue to operate?

Mr. Vern Yu: We believe that this will go through the U.S. federal courts. We believe there will be reviews at multiple levels at the U.S. federal court, and that this review will take many years, so it's essential that we try to come up with a mediated and negotiated diplomatic solution that takes us out of the hands of the court and provides a reasonable outcome for everyone involved.

Mr. Daniel Blaikie: I am curious to know what role the indigenous peoples on either side of the border have in this process. Can you speak to what kind of standing they have and what kinds of positions they have taken in respect of what Enbridge is asking for?

Mr. Vern Yu: In our history of operating the largest pipeline network in North America, both natural gas and crude oil, we have had a proactive approach in engaging with indigenous people. We want to make sure we're aligned with them as we operate across their traditional lands.

A great example would be the work we did in Canada with the first nations in Saskatchewan and Manitoba as we built the Line 3 replacement. We provided significant economic opportunities and had alignment with them as well. That's also true in Minnesota as we're working through the Line 3 replacement there. We're engaging with the tribes in Michigan on the tunnel, to provide economic opportunities for tribal businesses and tribal members to work with us as we build this new tunnel, which will make the safe pipeline that much safer.

The Chair: Thank you, Mr. Blaikie.

Thank you very much, everybody. We will now start the second round.

Mr. Hoback, you will be leading the round. You have five minutes, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

Thank you, Mr. Yu. I really appreciate your stamina in giving us all this information. Thanks for your time.

I want to look at alternatives. One of the concerns I have is that if they win this court case, what does this look like? What precedents have been set in regard to how it will impact other pipelines that go through other states? Do you see that possibly being a problem if they're allowed to do this?

Mr. Vern Yu: That's a very important issue for the U.S. federal government to look at. It's why we think it's important for the U.S. federal government to weigh in on this particular challenge. The U.S. pipeline safety act definitively says that the safety and operation of pipelines is under U.S. federal oversight. It should not be that each and every state along a pipeline right-of-way should have the ability to regulate interstate commerce and interstate transportation.

That's why we've taken our case to the U.S. federal court. We believe the law says that pipelines in the U.S. are federally regulated entities, both for their safety and their means of being able to provide commerce for multiple states along the way.

Mr. Randy Hoback: It's fair to say that the future of Canada and of Sarnia and that area is dependent on a U.S. court. Is that fair to say?

Mr. Vern Yu: That is a distinct possibility.

Mr. Randy Hoback: If they come back.... You talked briefly about trucks, trains and tankers and all the challenges that come with that. If we were to start putting oil inside the trains, where would they go? Would they go from Superior to Sarnia? Would they go from Chicago to Sarnia? Is there more capacity in the line from Chicago to Superior? Can we put more oil, and avoid Line 5, through Chicago and back up to Sarnia?

Is that even feasible, or are we at full capacity on the existing lines right now?

• (1535)

Mr. Vern Yu: We are at close to full capacity on the existing lines now. We can move a little more crude oil from Chicago to Sarnia, but it's not really meaningful. The replacement of Line 5 would effectively be moving oil from Edmonton to Sarnia on a train, or trucking that oil from the U.S., with U.S. production, up into Sarnia. There is no ability for us to materially off-load crude that's in Superior, Wisconsin, and move it by train to Sarnia. The infrastructure is limited.

Mr. Randy Hoback: If that's the case, then—if we get a negative result on May 12, and let's say we get an injunction against us, “us” meaning Enbridge—what does that really mean for Sarnia and that whole area? It's not only Sarnia. What about Wisconsin, Illinois and Ohio? What does that mean for that—

Mr. Vern Yu: To be perfectly frank, we don't expect any court to shut the pipeline down in May. We don't see any avenue for how that can happen. We need to work through this U.S. federal court hearing and process, in the medium term, to make sure that doesn't actually happen.

In the future, should some court actually shut us down, we would be short crude oil and natural gas liquids for refineries in Indiana, Ohio, Michigan and Pennsylvania, along with refineries in Ontario and Quebec. They would be immediately 50% short of the crude they need. We would see shortages of gasoline, diesel, jet fuel, propane and butane, such that those regions just wouldn't have enough.

In the longer term, people would have to figure out ways to move that replacement fuel by rail or truck. You would need to see thousands of trucks to replace the pipeline. We estimate that you would need to see 15,000 dedicated trucks per day to make that happen. You would need to see 800 extra railcars a day to see that happen. That is a very large logistical challenge.

The Detroit airport would not have enough jet fuel. Pearson International Airport would not have enough jet fuel. We would see some very significant challenges for people to live the life they're accustomed to today.

The Chair: Thank you, Mr. Hoback. I'm sorry, but your time is up.

We go to Mr. McKay for five minutes.

Go ahead, please.

Hon. John McKay (Scarborough—Guildwood, Lib.): Thank you, Chair.

Thank you, Mr. Yu. You've been very helpful in terms of this study. As you can see, there's not a lot of daylight among and between the members or the parties. It feels a little like an echo chamber.

What's puzzling me is Governor Whitmer's position, which seems to be legally dubious at best. Even environmentally I can't quite understand the position that transfers crude from a pipeline to trucks. It's politically very difficult, because she must be making some enemies among her fellow governors. The legislature is controlled by the Republican Party. I'm a little puzzled by Governor Whitmer's position, given the difficulties that any potential shut-down, or even the threat of a shutdown, would create.

Can you make, for the committee, the governor's argument as to why this is a good idea?

• (1540)

Mr. Vern Yu: That's something we've been trying to figure out for quite some time.

When she first came into power, we sat down with the governor and tried to brief her on what we were doing with the tunnel, on the operational reliability of the existing pipeline and on the incremental safety measures that we put in place to make sure the pipeline could remain safe while we went ahead and built the tunnel. We talked to her about how we have radar to track all the vessels that go over the pipeline and the straits, and how we hail every vessel that travels through the straits to make sure their anchors are pulled up so there is no inadvertent damage to the pipeline.

We've now put our own vessels on the water to make sure the incoming vessels abide by our safety protocols. We have cameras and other sophisticated equipment looking at the pipeline 24-7 to ensure we are absolutely safe. The pipeline can run at 600 pounds of pressure, but we run it at 150 pounds of pressure. The pipeline's walls are almost an inch thick, which is three or four times the regular wall thickness of pipelines that we run.

This is the most scrutinized piece of pipe in North America. It has the highest safety standards of any pipe in North America. It's the pipeline most reviewed by federal safety regulators in North America. We are abjectly confident that the pipeline is safe.

We're as perplexed as anyone with regard to the governor's motivations. Michiganders themselves support the tunnel. I think our latest polling shows that two-thirds of Michiganders support the Great Lakes tunnel.

Hon. John McKay: You've said that you wanted to arrive at a reasonable outcome, and it sounds very reasonable that you want to arrive at a reasonable outcome, but from your vantage point, what's a reasonable outcome for the governor in a situation such as this?

Mr. Vern Yu: From day one, the governor has wanted an immediate shutdown of the pipeline and for it not to restart until the tunnel is completed. We have said that is not a reasonable outcome because it would put the energy security of the entire Great Lakes region at risk, so we're not prepared to do that.

We have offered numerous incremental safety measures. We've offered more information to the state. We've offered many things, but right now it's a one-way conversation.

The Chair: Thank you, Mr. McKay.

[*Translation*]

Mr. Savard-Tremblay, you have the floor for two and a half minutes.

Mr. Simon-Pierre Savard-Tremblay: Mr. Yu, earlier you spoke of alternative replacement strategies. You said that there would be many trucks per day.

I want to make sure I understand. When you were talking about the number of trucks per day it would take to replace the pipeline, you were referring to the United States, right?

[*English*]

Mr. Vern Yu: Yes. The numbers I've talked about are to meet Michigan's needs for replacing the crude oil and refined product. I think it's a similar answer for Canada. It would be—immediately—railcars, trucks or more marine vessels coming in on the St. Lawrence.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Have you done any assessments or actual studies on it, should an alternative be required?

[*English*]

Mr. Vern Yu: Those alternatives, as I mentioned at the outset, would take time.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Yes.

[*English*]

Mr. Vern Yu: Those alternatives would require siting permits and construction. Those alternatives are less safe than a pipeline and much more costly than a pipeline.

Over time, you can replace Line 5 and Line 9 into the province of Quebec, but it will be much more costly for consumers, and an immediate shutdown would obviously cause energy scarcity, as I mentioned in my prior remarks. Ontario is in a tougher position, because it doesn't have water access to crude oil like Quebec does. Ontario would be like Michigan, effectively, where rail and truck would have to take up the slack for the pipeline.

• (1545)

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: So no specific studies or assessments have been done regarding a possible replacement.

[English]

Mr. Vern Yu: We haven't done specific studies for Ontario and Quebec. We've been doing the studies for Michigan, just because this issue obviously has been an item for us for many years in that state.

[Translation]

The Chair: Thank you, Mr. Savard-Tremblay.

[English]

We'll go to Mr. Blaikie for two and a half minutes, please.

Mr. Daniel Blaikie: Thank you very much.

Obviously, there was just a change in administration in the United States. It's not that long ago that this occurred. I'm wondering if there has been any change in tone or tenor around this issue by the federal government since the election, and how you think the change in administration might impact this case.

Mr. Vern Yu: The prior administration was very supportive of the pipeline. The Biden administration, I believe, is still studying the situation and hasn't made any public announcements on where it is on this right now.

Mr. Daniel Blaikie: Okay. It's unclear what the impact of the change in administration will be.

Mr. Vern Yu: That's correct.

Mr. Daniel Blaikie: Thank you very much.

I am wondering about the extent to which Enbridge thinks it may ultimately have to rely on the "Agreement between the Government Of Canada and the Government of the United States...Concerning Transit Pipelines". I don't think we've talked a lot about that so far today. I'm wondering to what extent that is part of the strategy, whether you think that will come into play or is likely to be resolved before getting to that level, and whether you think it's something Canada should invoke if this is not resolved in some other fashion.

Mr. Vern Yu: We believe the pipeline transit treaty is a very strong lever for the Canadian federal government and the country of Canada. We think that a lever should be used, as appropriate, if we're not able to come up with a reasonable diplomatic solution to keep the pipeline running, since the infrastructure is obviously very critical to Canada. That's a tool in the tool kit, and we'll have to make an assessment regarding the appropriate time to use that tool.

Mr. Daniel Blaikie: Thank you very much.

That's all for me, Mr. Chair.

The Chair: Thank you, Mr. Blaikie.

We will now go to Ms. Alleslev for five minutes.

Go ahead, please.

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, CPC): Thanks to our witness for an incredibly enlightening presentation.

A lot has been said, so I'm hoping that we can just bring it back to.... We've talked a lot about leverage. What exactly is Canada's leverage? From the discourse we've been having, it feels as though

the majority of our future depends on the U.S. making a decision that is in the best interests of Canada and as though there's not much that Canada can do other than to beg, plead, make it clear, etc.

Do I have that right? What is Canada's leverage?

Mr. Vern Yu: The U.S. and Canada are each other's largest trading partners, and trade between the U.S. and Canada is critical to both of our economies. Energy is a significant component of that bilateral trade between Canada and the U.S. This particular pipeline serves markets in both Canada and the U.S.

Ms. Leona Alleslev: Does it do so equally?

Mr. Vern Yu: It does, approximately, yes, so it's critically important to both countries to ensure that the pipeline continue to operate safely and reliably and that we build this private tunnel as quickly as we possibly can to ensure that energy security for the future. We don't want to create an energy crisis in Michigan, Ohio, Indiana, Pennsylvania, Ontario and Quebec just as we're getting through the economic crisis that COVID has created. This is just as important to Americans as it is to Canadians.

• (1550)

Ms. Leona Alleslev: It doesn't appear to be to the Governor of Michigan, and clearly, I would think, she is not acting alone. You mentioned that this has been an issue for many years and that you've placed a focus on Michigan.

If it's been an issue for many years, how did we arrive at this point? What can we do differently now to defuse this and have it stop being an issue when, again, it's beyond our control?

Mr. Vern Yu: The answer is the Great Lakes tunnel. We worked for many years with the previous governor of Michigan to enact legislation to allow us to build the tunnel to replace the current Straits of Mackinac crossing. That is an economic boost to the state of Michigan, and it ensures energy security for the state of Michigan.

I know Governor Whitmer is a supporter of the tunnel, so I think it's about getting the tunnel built as quickly as possible and removing this small environmental risk that she seems focused on.

Ms. Leona Alleslev: If I may ask, though, as a Canadian looking to have energy security and perhaps prevent any kind of future vulnerability from an energy security perspective, how would you argue that still having dependency on a line that is outside of our country is actually in the longer-term best interests of Canada, after we've watched how not looking after vaccines and other things ourselves in a crisis has had a detrimental impact on Canadians?

Mr. Vern Yu: Unfortunately, in Canada pipelines are a challenge, and building a brand new pipeline across Canada would be as big a challenge as keeping this existing pipeline operating. In fact, it might actually be an even bigger challenge to get unanimity from Canadians to do that. We've seen multiple occasions where as a country we can't get behind building pipelines, so it's important to keep the existing ones up and running.

Ms. Leona Alleslev: Thank you for giving us some very important information on this very important topic.

The Chair: The last person we have is Mr. Sarai, please, for five minutes.

Mr. Randeep Sarai (Surrey Centre, Lib.): Thank you, Chair.

I first want to thank the witness, Mr. Yu.

You've done a great job of meticulously explaining this issue in detail and, especially for my colleague Mr. Housefather's questions, almost to a legal degree on what you're facing down south.

What I want to know is, have you been getting full assistance from the federal government, especially on the embassy side, on anything you need from them? That would be my first question for you.

Second, how are you getting U.S. consumer groups or U.S. industry groups to support you on this? Obviously, you're a conduit—literally—to a lot of industries, whether it's natural gas, oil, heating or utilities. How supportive are they in your case in giving you some political backing, so that the people of Michigan and other surrounding areas know the consequences of their governor's actions?

Mr. Vern Yu: Let me start with Canada. I've spoken to Ambassador Hillman. I've spoken to Minister O'Regan. I spoke to Minister Garneau. I believe that our CEO, Mr. Monaco, has spoken to Minister Freeland as well.

We've spoken to many people in the Canadian federal government. Everyone has told us that they are seized of this issue and that they will put all the effort they can into this file and make it well known to the U.S. federal government that this is a very important bilateral trade issue. It's important for us and this committee to continue to provide support so that the federal government continues to do what it does.

I've spoken to Premier Ford and Premier Legault directly about this particular pipeline. They are both very supportive of the actions that we're undertaking today and promise to continue to provide feedback to the federal government that this is a very important Canadian issue.

On the U.S. side, we have a very broad coalition of support within the state of Michigan and outside the state of Michigan. The Michigan Chamber of Commerce is a hundred per cent behind us. The Detroit Regional Chamber is a hundred per cent behind us. The constituents of the upper peninsula of the state of Michigan, who rely a hundred per cent on Line 5 for the propane to heat the homes up there, are very much in our support.

The state legislature, the state senate, in Michigan is very supportive of Line 5 and the tunnel. In fact, at the end of last year, there was a vote in the House where three-quarters of the legisla-

ture were in support of the tunnel, and where many Democrats crossed the floor to support the tunnel. We are very actively continuing to work with people in the state of Michigan to ensure that there's as strong a support as we can have for the pipeline and the tunnel.

The state of Ohio is very critically interested, as Line 5 is critical to the numerous refineries that operate in that state, and the issues facing the state of Ohio are as great as the issues facing Ontario and Quebec. The Governor of Ohio and the attorney general of Ohio have indicated very strong support for both Line 5 and the tunnel.

We continue to build our coalitions. We continue to lobby the governor that this is a very important issue for Michiganders and all of the Great Lakes states and provinces.

• (1555)

Mr. Randeep Sarai: Have you been able to do a greenhouse gas emission analysis on how much more greenhouse gases, GHG emissions, would be out there as a result of this pipeline shutting down, with those hundreds of railcars a day that would have to go and the thousands of trucks that would have to carry this? What would be the resulting increase in cost, with ultimately the consumer paying extra?

As you know, for consumers, especially in those states, fuel costs are quite high compared with where I am here in British Columbia, where we have mild summers and mild winters. In those areas, you have stronger winters and stronger summers, so energy costs are year-round. Has there been any work done in that regard? I think if Michiganders and others around the area find out how much it will cost them and how the area will be more polluted by the actions of the governor, they may force the governor to reconsider.

The Chair: Please give a short answer, Mr. Yu. We're running out of time.

Mr. Vern Yu: I don't have the exact greenhouse gas numbers in front of me, but it's something we can follow up on. We've estimated that the cost of propane for Michiganders will go up by 38¢ a gallon without the pipeline. That is very significant.

The Chair: Thank you, Mr. Sarai.

Thank you, Mr. Yu. On behalf of the committee, I can tell you that you've really illuminated what we really wanted to know. You broke it down in a way that was digestible and that was really easy to follow.

I want to thank you sincerely on behalf of the committee for taking the time to come here and for educating us on what I think is a complex issue. As you can see from the feeling, or the virtual feeling, around the table, we are all in support, and we're all going to work together.

Thank you again for coming.

Mr. Vern Yu: Thank you to the committee. We appreciate your support.

• (1600)

The Chair: We'll suspend for a few moments while we bring in the other panel.

• (1600)

_____ (Pause) _____

• (1600)

The Chair: Welcome, members, to the second hour of our study on Line 5.

We're so happy to have testifying today, from the Canadian Chamber of Commerce, Mr. Mark Agnew, vice-president of policy and international, and Mr. Aaron Henry, senior director of natural resources and sustainability. From the Canadian American Business Council, we have Maryscott Greenwood, chief executive officer.

We will start off with opening comments from the Canadian Chamber of Commerce.

You have five minutes, please.

Mr. Mark Agnew (Vice-President, Policy and International, Canadian Chamber of Commerce): Chair and honourable members, it's a pleasure to appear before the special committee on Canada-U.S. relations. Likewise, it's good to see some familiar faces from the international trade committee around the virtual room. The chamber looks forward to working with this committee at all stages of its work on Line 5 as well as on the other matters it will take up in future studies.

For those I have not met before, my name is Mark Agnew. I'm the vice-president, policy and international, at the Canadian chamber. I'll be splitting the opening remarks with my colleague, Aaron Henry.

Members of the committee know the importance of Line 5 to Canada's energy security and economic competitiveness. In conversation with our members on the priorities we need to advance in the North American context, energy issues are a foundational element. Foreign policy and international relations can seem abstract at times, but Line 5 is a tangible issue with a real impact on Canada, as we'll explain in a few moments. Although others have said it before, it is worth underscoring that Line 5 is not Keystone XL. We were disappointed to see Keystone XL's permit cancelled, yet Line 5 is materially different as a piece of infrastructure already in use.

Disputes between the closest of allies happen. Although ideally we would resolve our disputes through diplomacy and advocacy with U.S. decision-makers, history has shown that this is not always the case, as we've seen with softwood lumber. We welcome the government's efforts on this file, and encourage it to continue to make the case that Canadian and, importantly, American interests are well served with Line 5 in operation. However, it does on occasion become necessary to use treaty-based mechanisms to protect our interests, as we have seen with other bilateral irritants in the North American context.

I will now turn it over to my colleague, Aaron Henry, to discuss in more detail our views on the situation.

Mr. Aaron Henry (Senior Director, Natural Resources and Sustainability, Canadian Chamber of Commerce): Thank you, Mark.

I'm going to jump right into it. Some of what I have to say is a reiteration of the last session.

In short, revoking the easement and shutting down Line 5 will create significant repercussions for the Canadian and U.S. economies. It will put a strain on Canada's transportation infrastructure and jeopardize North American energy security. There will be short-term implications and long-term implications.

Line 5 moves 540,000 barrels of fossil fuels a day through Canada and the U.S. It should come as no surprise that it generates significant economic benefits for both nations, to the tune of over \$65 billion of direct revenue and \$28 billion of indirect revenue in annual trade. It supplies central Canada with gasoline, jet fuel and heating fuel. The economic activity it generates in Sarnia alone supports 29,000 jobs directly and indirectly. It also delivers more than 50% of Michigan's propane demand and provides crude to key Midwestern refineries. Without it, both Canadians and Americans will face higher energy costs, temporary shortages and further economic pressure from the strain on our transportation systems.

There is no alternative to Line 5, as was said. Simply, the capacity to absorb the products moved through it does not exist. Looking at that range, up to 2,000 tanker trucks or 800 railcars a day would be needed to absorb the displaced product. Industry groups in the U.S. have warned that there is not capacity in the trucking industry in terms of drivers or trucks to absorb the propane that it ships, to say nothing of crude. It's a similar case in Canada.

What is absorbed through alternative measures will come with heavy costs. Canadians and U.S. commuters will face congestion, heavier traffic and greater safety risks. Companies that rely on rail to ship goods will face increased competition due to the shortages. In terms of economics, it will cost twice as much to transport fossil fuels by rail, and four times as much to do so using trucks.

I can't stress enough that Line 5 as interstate and international infrastructure is critical to North America's energy security. Our shared energy security is important, not only for the prosperity of our nations but also with regard to our shared climate ambitions. Losing Line 5 and relying on rail, tanker trucks and marine transport will greatly increase scope 3 emissions associated with Canadian energy products. By scope 3 emissions, I'm referring to the additional emissions that will occur if oil and gas products currently moved by Line 5 are instead moved by rail, tanker trucks and ships. This will undermine the efforts of both our nations to advance our ambitious climate targets. It will also force Enbridge to adjust its detailed plan to achieve net zero, which includes using hydrogen and renewable natural gas products. In the future, these fuels could potentially be blended with the natural gas products that move through Line 5 today.

Today Line 5 provides critical energy security for responsibly produced energy products. Tomorrow it could play a role in scaling decarbonization amongst the businesses and retail customers it serves.

The team Canada effort and support behind Line 5 are what we need to continue. We want to underscore that the future of Line 5 will shape North America's energy, economic and climate future. We encourage the federal government to continue its bilateral engagement with the Biden administration to seek a swift and amicable resolution. The scope of the issue and its impacted parties make this a matter of federal negotiation. Working together, we can make sure the shared interests of our nations come first.

Thank you.

• (1605)

The Chair: Thank you very much for your opening comments.

We will now proceed to the Canadian American Business Council for five minutes.

Go ahead, please.

Ms. Maryscott Greenwood (Chief Executive Officer, Canadian American Business Council): Thank you, Mr. Chair and members of the committee.

The members of this committee and I share a singular focus. In my case, it takes up almost my entire professional life.

We all know that while Canada-U.S. relations are pretty sound and we enjoy all sorts of historical advantages, our business is not conducted to a soothing background chorus of *Kumbaya*. No, the relationship has always been guided by self-interest, and you know there have been times when our leaders didn't even like each other very much.

We don't have to wait for history's judgment to know that the past four years were a nadir, so to speak. We experienced a trade war. One of our members at the Canadian American Business Council is the A. O. Smith Corporation. It manufactures water heating and treatment equipment and was the target of trade retaliation by Canada, presumably because of its significant corporate presence in the home state of the chairman of the Senate foreign relations committee.

Yet despite all the chaos—or perhaps because of it—Canada ended up with a very good result out of the last four years. Canada emerged with a modernized, updated version of NAFTA. The deal is now the gold standard for the world.

Now, how could that have happened in such a tense and challenging time? The simple answer is that Canada recognized the power of economic self-interest and did an excellent job of leveraging it. When the president threatened to tear up NAFTA, Canada responded to the existential economic threat by going on the diplomatic equivalent of war footing. It focused on U.S. interests and made it exceedingly clear to members of Congress what the economic cost would be in their districts and states. Let's not forget: Canada is the number one customer for U.S. exports.

During the most intense periods of the trade negotiations, you could find no daylight between government and opposition, between feds and provinces, between unions and companies and public opinion. In the end, Canada came out the other side not just intact, but with an improved and enforceable trade agreement, blessed on both sides of the aisle in Congress.

Now we have a return to diplomatic normalcy. President Biden shares a certain amount of political vision with the Prime Minister of Canada, and most Canadians are comfortable with his values. Some in Canada are no doubt relieved. Maybe they think they can relax, or that the world is realigned on its axis, or that natural comity can be relied upon to ensure that economic security and happiness occur. That would be a mistake.

As you know, various statesmen have asserted that nations have no permanent friends, only interests. I like to think that what Canada and the United States share is friendship, but there is something to that quote. One need look no further south than Lansing, Michigan, right now. Last November, Michigan governor Gretchen Whitmer announced that she was revoking the state's easement for Enbridge's continued safe operation of the Line 5 pipeline across the Straits of Mackinac, as you know, and of course, on his first day in office, President Biden killed KXL.

The difference is that KXL was under construction and still a work in progress. Line 5, on the other hand, has been safely delivering millions of gallons of Canadian crude oil and natural gas liquids to American and Canadian refineries for nearly 70 years.

I should pause here for a moment and make a disclosure. Enbridge is represented on the CABAC board, and I do work for the Government of Alberta in Washington.

In any case, Line 5 supplies more than half the propane that Michiganders in both the upper and the lower peninsulas use to heat their homes and businesses each winter and to run their businesses throughout the year. The propane is also consumed throughout the region in Wisconsin and Ontario.

The jet fuel loaded onto planes at Pearson airport in Toronto, Trudeau airport in Montreal, Detroit Metropolitan airport and Pittsburgh International Airport comes from the crude that is transported through Line 5. So does a great deal of the gasoline sold at pumps in Ontario and Quebec.

Line 5 provides an essential service, period. Minister of Natural Resources Seamus O'Regan has called its operation “non-negotiable”, but the fact is that Minister O'Regan has no jurisdiction in Michigan. Governor Whitmer has demanded that Line 5 be shut down by mid-May. Her attempted revocation of the easement and her attempt to shut down this pipeline are currently being argued before a U.S. federal court.

To Governor Whitmer, this is about protecting the environment, and I think it's fair to say that is a priority for Canada, too, and for the CABC. We and our members support carbon transition policy and the goal of reaching net zero by 2050. Canada and the United States are co-operating on multiple environmental initiatives—vehicle emissions, carbon capture and utilization, and methane reduction, to name a few—and there will be an important leaders' climate summit hosted by the White House on April 22.

• (1610)

However, economic self-interest remains any nation's immovable object. We are still reliant on oil and natural gas. The plain fact is that if Line 5 is closed down, Michiganders, Ohioans, Pennsylvanians, Ontarians and Quebeckers will find some other way to import the hydrocarbons they need to fuel everyday life. More barges and tanks loaded with crude will appear on the Great Lakes. More trucks full of crude will enter our highways.

As this committee knows, Line 5 at the straits has never leaked, and Enbridge is in the process of making it even safer. Governor Whitmer's own administration recently approved permits for Enbridge to route Line 5 through a concrete-lined subterranean tunnel that it intends to bore under the lake bed. We should not let energy projects with regional and international economic importance become litmus tests for anyone's allegiance to protecting the environment. Actually, there is simply no safer way to transport crude than by pipeline.

Meanwhile, Canada needs to keep thinking in war footing mode—yes, even in the Biden era—and not just to protect Line 5. We need regulatory harmonization if we are going to have the most effective economic rebound. We need to reopen the border as soon as vaccines make it safe to do so. We need agreements to collaborate on PPE manufacturing and vaccine distribution. Rather than competing, we have to co-operate. That is what's in the economic interest of our citizens.

Canada and the U.S. are at our best when we are arm in arm. We cannot allow ourselves to be lulled into suddenly thinking everything will be fine. Governor Whitmer has provided a wake-up call.

Thank you very much.

• (1615)

The Chair: Thank you very much for your comments.

We'll go straight to questions.

Mr. Lewis, you have six minutes, please.

Mr. Chris Lewis (Essex, CPC): Thank you very much, Mr. Chair.

Thank you very much to the witnesses. Those were fantastic remarks.

If I get to all three of my questions, great, but I have two specifically that I would like both witnesses to respond to, please.

The witness in the last panel spoke about how it's very much a one-way conversation. Michigan does all the talking, and apparently Ontario and Canada have to do all the listening. I find it very interesting that there's not more of a bilateral approach to this. As we all know, both economies rely so strongly on each other.

Take the auto assembly industry as an example. Chrysler is just outside my riding. I believe parts of a vehicle actually go back and forth on the busiest international bridge seven times before they're assembled to make one vehicle. That goes both ways: in Ontario—in Windsor-Essex—and in Michigan, downriver. That doesn't even include the supply chains and the manufacturers that go along with it.

To each of our witnesses, what economic impact do you see with regard to jobs and losing jobs, specifically with regard to Canada bleeding and hemorrhaging jobs out of our economy? What impact do you see?

Mr. Aaron Henry: I'm happy to jump in first, unless Ms. Greenwood would like to respond.

I think the way this would play out is that there would be both an immediate impact and a longer-term impact. The immediate impact comes down to the fact that at the moment, we have only 14 refineries in Canada that are capable of making gasoline. All together, five of those are impacted within either Line 5 or Line 9 in Quebec.

In that initial period where you've lost all that capacity from Line 5, where it's displaced, you're going to see costs increase for those refiners. You're going to see a lot of contingency plans and potential shortages and disruptions. All those things will disrupt the labour forces involved within that sphere of activity directly, and will probably have opportunity impacts as well.

Eventually, if we were in that sort of dire straits situation, a new supply chain would stabilize, but then you're going to see knock-on effects. You're going to find that the cost of fuel has gone up. The cost of jet fuel has gone up. The cost of heating homes in most of Quebec has gone up. All those things will have these knock-on impacts. It's sort of an initial disruption followed by what might be called a slow bleed.

The other thing I really want to put in context is that in some respects, as we are engaging in these policies to decarbonize and move forward, that has actually already put a lot of pressure on many of these different segments. For instance, our refiners right now are in the kind of world where they have to deal with massive disruption while they're also trying to plan to make significant upgrades to comply with the clean fuel standard. You're going to see a lot of capital required for all those steps.

If you take away that energy security at the critical moment, you're going to find that it carries impacts. You'll then find that those impacts also go throughout the entire value chain that Line 5 and Line 9 ultimately produce. That will be a long-term impact.

Mr. Chris Lewis: Thank you, Mr. Henry.

Madam Greenwood, go ahead, please.

Ms. Maryscott Greenwood: The important thing to think about is that for this project, the story isn't over yet. For me it's difficult to tell you the overall job impact. We don't quite know yet what will occur.

In the long run, a transition to a low-carbon economy is something that can create a lot of jobs. Whether you think about the transition to electric vehicles, to battery recycling, or to other sorts of things like that, there is an economic impact that is good for the environment and also positive from a jobs point of view. That's the needle that policy-makers in Canada, the United States and around the world are trying to thread.

The challenge with this is that if it were to just stop instantly, the impact would be pretty dramatic. People would make adjustments, but it would be pretty difficult if the governor, for example, were able to just turn off a pipeline.

That's not how our infrastructure works really. We have a system under which this is being challenged in the courts. The courts are going to say whether or not a single jurisdiction has the ability to thwart an interstate and international infrastructure project, so—

• (1620)

Mr. Chris Lewis: Thank you very much, Ms. Greenwood. I'm sorry to cut you off, but I have one more question.

As a very important point now, our last presenter spoke—and I believe you did, as well—about how 540,000 barrels would have to go by railcar, ship and/or truck. The last witness mentioned upwards of 15,000 trucks a day. I think Mr. Henry mentioned some 2,000.

One more truck on the busiest international bridge is not only going to interrupt production—

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Mr. Chair, we have not been hearing the interpretation for about two minutes.

[*English*]

The Clerk of the Committee (Ms. Erica Pereira): Mr. Chair, it appears to be working.

The Chair: Okay. Carry on.

Mr. Chris Lewis: Thank you very much. I will be brief.

It's not only going to affect production, manufacturing and the supply chain; it's also going to very much affect our nurses, our doctors, and our business folks who are trying to get across the border. It's going to completely congest transportation at the busiest international border crossing.

Mr. Henry, do you have any comments on that?

Mr. Aaron Henry: Yes, I absolutely do. It's 540,000 barrels per day. It's an incredible amount and volume, and the capacity's not there. That's something we would like to put emphasis on.

Canada is focused on its COVID recovery. We still have uncertainty at that border. If you were to put this in place, looking after Michigan's propane from the Superior terminal alone would create significant bottlenecks. You would find massive delays.

Even if we were even able to find that volume of truckers and trucks equipped to do this, it would add to the overall flow of goods unnecessarily. I think that would carry both economic and supply chain resiliency costs. That would have impacts for other essential things that we need to cross those borders and that we currently have a mechanism for.

The other impact, of course, is on overall transportation resiliency. Costs have yet to be calculated with regard to the risk of potential spills and also just in terms of the sheer amount and volume of traffic on the road. That's especially across the U.S.-Canada border, but also to move products to the Sarnia hub and then into Quebec. Those are all impacts that hit commuters. They hit other industries. It would be a significant cost.

The Chair: Thank you, Mr. Lewis.

Next we'll go to Madam Bendayan for six minutes.

Go ahead, please.

Ms. Rachel Bendayan (Outremont, Lib.): Thank you very much, Mr. Chair.

Thank you to our witnesses. It's nice to see some familiar faces.

Just before this esteemed panel, we had the pleasure of hearing from Enbridge. During the testimony, we heard that there were very productive conversations between Enbridge and Premier Ford and between Enbridge and Premier Legault, and that both premiers were very supportive of the project and, of course, of Line 5. We heard similar things regarding the conversations between Enbridge and Minister Freeland, Minister Garneau, Minister O'Regan and other high-level officials from our government, and we certainly heard about the support of our government for keeping Line 5 in operation.

What we also heard from Enbridge—and I'm quoting here—is that they are looking and are very hopeful for “a mediated and negotiated diplomatic solution that takes us out of the hands of the court”.

I was wondering if I could have the comments of Ms. Greenwood in particular in terms of what the question really relates to, because in addition to all these government officials working hard on this case, of course, we know that the Detroit and Michigan chambers of commerce are also very much supportive of keeping Line 5 open.

My question is, how can you, as a chamber of commerce, work hand in glove with American chambers of commerce in order to achieve a successful “negotiated diplomatic solution” between our two countries?

• (1625)

Ms. Maryscott Greenwood: The way we can be the most helpful at the Canadian American Business Council is to broaden the conversation outside of Michigan. There is great awareness, as you point out, in Canada—in Ontario and Quebec in particular, and in Alberta of course. There is awareness in Michigan about the pipeline and the current challenges, but there isn't as much awareness in Ohio, Indiana, western Pennsylvania and other places in the United States that would feel an immediate impact if the pipeline were shut down overnight.

Having the conversation outside of Michigan or in addition to Michigan is important, as is having the conversation in the context of a very serious commitment to protecting the Great Lakes and to safeguarding the environment, so that people understand that this is an effort to actually further protect the Straits of Mackinac and not to roll it backwards. It's not an old “economy versus the environment” kind of dialogue anymore.

Ms. Rachel Bendayan: Thank you very much, Ms. Greenwood.

I'm not sure, Mr. Agnew, if you had anything you wanted to add to that particular point. If not, I have several other questions.

Mr. Mark Agnew: To come in really briefly on that, there are two ways in which it's beneficial to work with chambers in the U.S. One is the information sharing and getting their insights, both to inform the work we're doing and to have the intelligence that we can pass down to our members.

Likewise, we can equip them and arm them with the facts of the matter and the Canadian perspective, to have them be our advocates on the ground, because certainly an American advocate has a lot more resonance with an American decision-maker.

Ms. Rachel Bendayan: That's very interesting. Thank you for that, Mr. Agnew.

I believe it was Mr. Henry who mentioned these statistics: 800 railcars per day or 2,000 tanker trucks per day. This was cited by Mr. Henry as a possible alternative should Line 5 no longer be operational. There were also some references to statistics involving the increased costs.

I wonder if you could table with the committee that information and wherever you were able to get those statistics from. Would that be possible, Mr. Henry?

Mr. Aaron Henry: Yes, I'm happy to do that after the discussion.

Ms. Rachel Bendayan: In your opinion, given this information, would that have an impact on passenger rail, for example? Can you expand a little on collateral damage?

Mr. Aaron Henry: I don't believe that there necessarily would be a direct impact, let's say, to the cost of passenger rail, but there would certainly be more traffic on the lines, and that can create delays and other impacts.

Really, what we would be doing, if this were to come to pass and you ceased using Line 5 and put in these alternative methods, is just moving from a very low-risk, very cost-effective and low-emission means of moving a product to one that carries a lot more consequences.

Ms. Rachel Bendayan: Absolutely. We have heard that before, and of course I think you understand how I feel and how various members feel about the importance of meeting our emissions targets. It was something you mentioned in your opening statement.

If you have any emissions approximations under the alternative scenario that you describe, we would be very interested in hearing about that as well in the documentation you will file with the committee.

I have one last question, Mr. Chair, if I have time, for Ms. Greenwood.

The Chair: You have 30 seconds.

Ms. Rachel Bendayan: Ms. Greenwood, you mentioned the importance of the CUSMA, and of course I couldn't agree with you more. This new, modernized NAFTA was really the result of a huge effort right across the country that very much involved you and your association.

Are there any lessons learned from that experience that you feel we can use effectively in this scenario, other than the ones we've already discussed?

Ms. Maryscott Greenwood: In the time we have I would say we should keep it up. Don't assume that the crisis is over and we can now just kind of move forward. We need to have that kind of an effort applied to the Canada-U.S. relationship to maximize the opportunity for collaboration and minimize the disagreements.

The Chair: Thank you, Madam Bendayan.

[Translation]

Mr. Savard-Tremblay, you have the floor for six minutes.

● (1630)

Mr. Simon-Pierre Savard-Tremblay: Welcome and thanks to the witnesses for being with us today.

As you represent certain companies and groups of companies, I'd like to know what they are preparing for. What are the companies thinking right now? Are they focusing more on the line being kept, or are they considering a Plan B?

[English]

Mr. Aaron Henry: For the most part, this is definitely a plan B. This is not a situation in which there's a whole lot of optimism. In fact, as has been clear from some of the other statements, we're not really even sure if we have the capacity to absorb this displacement in terms of either available trucks or trained truck drivers. It certainly is the case that in some way this flow would be absorbed, but it is not an outcome that we will be pushing towards. The high-level statement is that Line 5 is critical to not only Canada's but also the U.S.'s energy security, and at this point in time, there is no alternative or at least no viable one.

Ms. Maryscott Greenwood: I have faith in our democratic system, actually, so unlike the case of a presidential permit, in which the authority really does lie with one person, in this scenario the actions taken by one particular political office holder are before a court and also the subject of a great deal of diplomatic negotiation. I don't want to say I'm optimistic or pessimistic, but I have faith in the system and we are in the middle of the process, so I don't want to prejudge it.

It is important, though, to help Americans in particular understand what's at stake.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: If I understand the first statement correctly, it's not even clear that an alternative exists.

If the pipeline were to shut down, which seems fairly unlikely given the legal precedents and the current dialogue, what would happen? Would it simply end in failure, bankruptcy or shutdown? What would you do?

I'm a little surprised to hear that you have not considered it and you just see it as a disaster, with no thought on how to deal with it.

[English]

Ms. Maryscott Greenwood: I think you're right. If the pipeline were shut down, in Michigan alone they would have a 756,000 gallon per day propane shortage, so there is a massive immediate impact.

I'm hopeful that we don't get to that point, but you're right that we have to look at all the different scenarios, given where we are in this process.

Mr. Aaron Henry: To maybe dovetail with those comments, I would say I agree that if the pipeline were to be shut down, the consequences would be pretty significant. However, I would also agree with Ms. Greenwood's comment that when we look at this situation overall, at where the conversation is and at the actions that have

been taken by Canada so far, we're still in a good place to continue to up that pressure.

I would also, as was mentioned towards the tail end of the last conversation, reiterate that in the event that this cannot be resolved amicably and through diplomatic channels outside of court, there is the 1977 pipeline transit treaty on Canada's side. That is not the measure to start with, but it could certainly be the measure to finish with if it came to that.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Not only has it not been studied, but we hear in your testimony a call for us as politicians to keep an eye on this Plan B, if ever there is one.

[English]

Ms. Maryscott Greenwood: That's exactly right. It's important that you're talking about it now. It's important that you engage your counterparts in the United States, outside Washington and inside Washington, in the way you did when you faced the existential threat of tearing up NAFTA.

You're right to be involved in it.

● (1635)

Mr. Mark Agnew: We would support that as well.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Now we have a situation where the governor, the authority in Michigan, feels that the evidence, the studies, that Enbridge submitted are not convincing and do nothing to allay or calm her fears.

It's very surprising to me, because this is backed by scientific facts. Someone clearly is not being truthful, either in the questions asked or the answers from Enbridge.

In your opinion, were the answers satisfactory or not? According to Michigan officials, they were not.

[English]

Mr. Mark Agnew: I won't profess to have read every single last bit of documentation that's been submitted, but certainly what we've been hearing from our companies is that a fairly voluminous amount of material has gone in, the way you would expect any company to do when engaging with governments and regulators. The unfortunate reality is that politics get in the way.

Mr. Aaron Henry: I would quickly follow that up and say that for the most part, from what we've seen, Enbridge has gone above and beyond to ensure that it can meet the governor's concerns. That includes going beyond simply the proposed tunnel project to encase the pipe. It's also the state-of-the-art Guardian asset protection system they've utilized. It is designed specifically to defend against the number one risk for the Mackinac straits, which is an anchor drop, through basically a communications system with all commercial vessels that maps out the pipeline beneath the straits.

I would agree with my colleague. Ultimately, we're at the point of politics on this, rather than the materiality.

[Translation]

The Chair: Thank you, Mr. Savard-Tremblay.

[English]

Mr. Blaikie, you have six minutes, please.

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

I'd like to pivot away from the particular Line 5 issue and ask a bit about what your organizations see as the opportunities. With the new administration, there's the opportunity for a far more united front against climate change. A lot of economic opportunity can come from that, both to help our two respective countries lower our carbon footprint and to generate a lot of employment and new business in doing that.

I'm wondering if you might like to take it in turns to speak a little about some of the opportunities your membership is contemplating, and about what kinds of public policy might encourage better collaboration and better results in respect of reducing our carbon footprint.

Ms. Maryscott Greenwood: I can start. One example of where Canada and the United States can really advance the conversation on climate is through innovation. Just to give you one example, it's not just about carbon capture and storage anymore. It's about carbon capture and utilization, where you can actually capture carbon at the point of emission and turn it into something that you then utilize.

The example I have is a Canadian company called Capital Power. They have assets in the United States and have invested in a technology that creates carbon nanotubes. You take captured carbon and you mix it into cement, for example. When you're looking at building infrastructure, you can actually have a greener form of infrastructure that has the effect of reducing carbon.

There are some very exciting opportunities like that. Public policies that incentivize cross-border collaboration, such as regulatory cohesion, and that have a structure to incentivize innovation are the way to go. There are a lot of Canada-U.S. opportunities. A lot of that will be discussed at the April 22 climate leader summit that I mentioned in my testimony.

Mr. Mark Agnew: There are a couple of different items that come to mind. For example, we have the COP26 coming up later this year. Given the integration of the North American economies, it would make sense for Canada and the U.S. to go into the COP meetings with an idea of what would benefit North America as an economic block, for instance.

There has also been a lot of discussion going on around critical and rare earth minerals, and if we're going to be deploying a lot of new technologies that will deliver energy efficiency, we need those critical mineral products as inputs to be able to build them. We have some of those mineral products here. How can we work better at getting them out of the ground and into a North American supply chain?

That's just to name two examples.

• (1640)

Mr. Daniel Blaikie: One of the concerns that some people have if we look at our traditional energy economy, and particularly at oil and gas over the last 30 years or so, is that a lot of the value-added work has left Canada. We've ended up with a model whereby we're extracting raw natural resources, sending them to the United States for the value-added work, and then buying back a finished product.

What kind of framework do you think might help prevent that kind of model recurring when it comes to something like rare earth minerals? How can we ensure that while we want to have a North American strategy, a fair share of value-added work is being done in Canada as opposed to our just becoming the source material provider for the value-added work that's happening elsewhere?

Ms. Maryscott Greenwood: It's a perfect question. We know critical minerals and rare earth elements are found almost everywhere in the world, but 80% are processed in China, so it's the processing—the actual value added that you're talking about—and Canada could own the market on that.

It would take a huge amount of investment. It would take collaboration with the U.S. to make sure you had an end-user for it, and it would take private capital coming in, so you'd need some certainty around your regulatory structure in order to attract the capital.

The huge opportunity in Canada is in terms of processing as opposed to mining. Canada is a resource economy, and obviously it knows how to mine. It has the infrastructure and all of that, but I completely agree that the value-add could occur in Canada—and more so in Canada, really, than in the United States. You have such a huge amount of space and you have plentiful, clean, green, renewable hydro power that makes the carbon impact of a relatively intensive process way less. There are all kinds of natural advantages Canada has, such as engineering, deep-water ports, railroads and an environmental commitment from a regulatory process, that make it the obvious choice.

Mr. Daniel Blaikie: Mr. Agnew, would you like to speak to that question as well?

Mr. Mark Agnew: Briefly, although we have to remember there are three levels of government and that each level of government has multiple departments, at the end of the day there's one business that bears the cumulative burden of that, so it's really about the cumulative set of measures. What are the tax incentives? What are the investment incentives? What's the regulatory burden, access to labour and infrastructure?

Scotty talked about the growing market and demand for rare earth elements and knowing there will be a buyer on the other end. There are a lot of different ways you could slice that pie, but there does have to be that person at the other end to make it financially viable for the companies.

The Chair: Thank you very much.

That has completed our first round. We will now start the second round, beginning with Ms. Alleslev for five minutes.

Go ahead, please.

Ms. Leona Alleslev: Thank you very much. What a powerful conversation.

Scotty said it best by saying that self-interest is always a driving factor, but I think what we as Canadians need, even to look at this Line 5 situation, is to understand best what landscape the United States is looking at in terms of this self-interest.

I know we had steel and aluminum tariffs that in many respects resulted in a repatriation of those jobs and an increase in manufacturing jobs in those sectors in the United States. We've also recently seen the enactment of the Defense Production Act, whereby self-sufficiency around vaccines and PPE and what gets shipped out of the United States has been somewhat constrained.

Should we be looking at Line 5 in a similar way? Is this perhaps the beginning of a longer trend? As the U.S. becomes more self-sufficient and able to produce more in oil and gas, will it be able to repatriate that and be more self-sufficient on this front?

Mr. Mark Agnew: Aaron may want to come in after me with a bit more detail.

One of the things we've been looking at—hopefully, the committee can reflect this in its report—is that the Biden administration earlier last month gave an executive order on supply chain reviews, and energy was one of the sectors identified in that. We would encourage the government to work with industry to figure out how we can have a Canadian perspective articulated into these supply chain reviews, so that there's an understanding of the important role Canada plays in the American supply chain security landscape.

Aaron, I don't know if you have further comments on the energy pipeline specifically.

• (1645)

Mr. Aaron Henry: We need to understand, as Mark is alluding to, that supply chains are shifting. Those supply chains create opportunities for us in those new spaces, but we need to take a sustained view of the fact that the U.S., as an energy power, has also undergone a lot of changes.

There might be some more opportunities for Canadian oil and gas, given what's happened to shale production. That might be a

shortage we can fill, but overall what you are seeing with the U.S. is an effort to greatly increase its energy sovereignty, both in terms of what it can export but also in its electricity markets.

We need to be very mindful of creating the opportunities—for instance, for our utility space to make those exports—but also think about ways in which we can continue to serve our own internal markets to make sure we're ahead of the long-term changes that probably we will see in the U.S. energy economy.

Ms. Leona Alleslev: Further to that, when we're talking about self-interest and one aspect, it appears that the negotiation is never only on oil and gas. We've seen now, with the road map that Biden and Trudeau signed, that we're looking at defence, security and, like you said, security of supply chains. We're looking at critical minerals. We're looking at the Northwest Passage and at any number of things.

Should Canada be looking at understanding better that negotiating on one thing is never in isolation, but that other areas may also need to be looked at at the same time, and the leverage or conversation between that whole landscape and not just Line 5, as in this case?

Ms. Maryscott Greenwood: I have a slightly different approach. I don't think the U.S. could ever imagine going it alone on anything without Canada. We are so integrated. In the U.S., it's sometimes good politics, or it sounds good, to say “buy America”. It's not actually possible, especially when you're talking about Canada, and it's not desirable. The countries we're worried about from a manufacturing point of view are not in North America.

One of the things we are focused on is how to rebound together. We have an initiative, the North American rebound, that you can check out, where there are regular everyday Americans and Canadians saying that we actually are in this together.

To your direct question on whether Canada should leverage all of its different assets in the conversation, I would answer absolutely. Diplomats will tell you there are no linkages. Realists will tell you that of course in human nature everything is related. Canada has a huge number of natural assets and benefits and should be willing to tout them from the mountaintops, as it did during the NAFTA negotiations.

The Chair: Thank you, Ms. Alleslev.

Next we have Ms. Romanado, please, for five minutes.

Mrs. Sherry Romanado (Longueuil—Charles-LeMoine, Lib.): Thank you very much, Mr. Chair, and thank you so much to the witnesses for being here today.

Our previous witness quantified Line 5 as “the most scrutinized piece of pipe in North America”. I want to get a better understanding of the urgency and the motivation behind the Michigan governor. Why now?

When I look at a quote she gave to *Great Lakes Now* in June 2019, she said that protracted litigation without the tunnel or another alternative would be the “worst case scenario”. I’m looking at the timeline. She said this in June 2019. She was elected in November 2018 and took office in January 2019. A third agreement between Enbridge and Michigan came to be in December.

I’m looking at this timeline. We see that there was a temporary restraining order in June 2020. It was then lifted to restart Line 5 in July and September. Then, on November 7, the media calls the election for President Biden and, six days later, the governor issues the order on its easement.

I’m trying to get an understanding of why now, when this tunnel is under construction and is due to be opened in 2024. Why now? Given the consequences on both sides of the border, whether it be access to crude or whether it be jobs, why now? It’s helpful for us to understand this so that we can make sure we are conveying our position as well.

• (1650)

Ms. Maryscott Greenwood: You might have to have the governor here to ask that. I would point out that what’s important is that at the same time she called for the pipeline easement to be ended, her government approved the process for the tunnel.

Mrs. Sherry Romanado: Exactly. I’m just trying to make sure I’m understanding you correctly, Ms. Greenwood, so thank you.

We have talked a bit about the treaty. I understand that then governor Biden voted in favour of the treaty in 1977. It’s not something, obviously, we want to use. We hope we can get some diplomatic solution to this. Obviously, this is before the courts. We will be doing the team Canada approach, as you suggested, because we need to make sure that until that tunnel is built, we cannot have the flow stopping.

I want to pivot a bit now, Ms. Greenwood. You mentioned the North American rebound initiative, which I’ve been reading a bit about, and buy North American. I want to talk a little about opportunities. We see very clearly what we need to do with Line 5, but we also have economic recovery. Can you spend the next minute and a half talking about buy North American and why we need to be focusing on that?

Ms. Maryscott Greenwood: Buy North American makes sense only from a U.S. point of view. If you tell a U.S. supplier that we the government will tell them what their supply chain looks like, and we don’t want their own efficiencies or their own relationships to matter, that’s problematic. That’s not really the way America works, typically, when it works well.

We know that buy North American, or buy Canada-U.S., works in the defence sector. We’ve had the defence production-sharing agreement since the 1960s. Canadian defence companies can bid on Pentagon projects as if they were American, so we have a good template for it. We also have all of those industries and sectors that get tariff-free access to the United States because of NAFTA.

When we’re talking about buy American, what we’re really talking about is government procurement really coming out of the stimulus that’s about to happen, and you don’t want to make that more expensive. A Canadian waiver, like we got in 2009 and like we got last year during the pandemic, on PPE.... There was a Canadian waiver that was not well publicized but that in fact happened in the federal Emergency Management Act regulation. That kind of thing makes eminent sense. It’s in the U.S. interest to do so, so I think you have to just keep hammering away at it.

Mrs. Sherry Romanado: In my last 20 seconds, let me thank our witnesses. One of the things we’ve just heard is that we really don’t have the capacity to transport crude, should Line 5 close. I want to thank you for highlighting the problems we would have with respect to truckers, access to truck drivers and also access to infrastructure with respect to rail.

Thank you so much.

[*Translation*]

The Chair: Mr. Savard-Tremblay, you have the floor for two and a half minutes.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

From the outset, I have been missing something here.

First, there are environmental concerns. We heard the governor of Michigan say that some supports exceeded the 75-foot requirement, that the pipe wall was not thick enough, and that, in her view, Enbridge wasn’t meeting all sorts of conditions. Enbridge responded that everything was fine.

Why has this not been resolved?

I’m missing something here. It’s not up for debate. This is about science, not opinions.

Have certain conditions not been met, yes or no? This should not be up for debate, it should have been cleared up.

How is it that the issue has not yet been resolved?

How can there be a legal dispute over matters of fact and science?

• (1655)

[English]

Mr. Aaron Henry: There are a lot of variables in there, and I can't provide a line of sight on all of them. For a while the dialogue remained open with Governor Whitmer's office. However, given that now we're at the position where the courts have to make a decision on whether this is federal jurisdiction or state jurisdiction, those dialogues have shut down, simply because the governor is unwilling to make any comments on anything that is before the courts.

That is a moment of impasse, and in some respects, despite the fact that there have been these studies released and there has been an awful lot of movement by Enbridge to make good on a series of conditions, that is part of the reason things have not progressed. That's why it's imperative that as those courts make those decisions, the federal government and team Canada are able to put forward an amicus that basically states that this is in fact a federal issue and not something for Michigan to simply decide on its own.

The Chair: Mr. Savard-Tremblay, you have 15 seconds.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: I don't have time for any more questions in 15 seconds. Thank you.

The Chair: Thank you.

[English]

For the last question today, Mr. Blaikie, you have two and a half minutes, please.

Mr. Daniel Blaikie: Thank you very much.

In CUSMA, Canada continued to allow access to public contracts to United States contractors, without getting the same kind of reciprocal access. Again, I'm wondering about this, just on the theme of opportunities around a united front against climate change.

If Canada isn't able to get access to American public works projects in a blanket way, what do you think of some of the opportunities for companies that manufacture electric buses, say, or have different kinds of green technologies that would serve a public policy interest in many American municipalities or state governments, and using these as a way into certain kinds of U.S. procurement that Canadian companies might otherwise be blocked from accessing?

Ms. Maryscott Greenwood: Yes, it's an interesting point. I think you go in with your U.S. supply chain partner arm-in-arm, so that you don't come in as completely foreign. Also, you'd have to identify the relative cost benefit of partnering with a Canadian partner.

You know, Canada is closer to a lot of manufacturing places in the United States than places in the United States are, so when you

make the case and you bring in your American partner, you have a pretty good chance at getting the waivers you need from the White House.

Mr. Daniel Blaikie: Thank you for that perspective.

Mr. Agnew, do you have anything you'd like to add on the question?

Mr. Mark Agnew: Scotty summarized it quite well with regard to having an American partner working in lockstep with you, so that there again is that local narrative to tell.

I would just say, to go back to your original point on the CUSMA, that we're now in a state where there's no procurement coverage either way as a result of it. We are relying solely on the WTO government procurement agreement now for procurement access.

Mr. Daniel Blaikie: Thank you.

That's all for me, Mr. Chair.

I see that Mr. Hoback has his hand up. I want to make sure there are a couple of minutes left in the meeting for him.

The Chair: Go ahead, Mr. Hoback.

Mr. Randy Hoback: I have just one question.

Ms. Greenwood, maybe you can help me answer this question.

If Line 5 were shut down, how would the U.S. ever go it alone on buy America? How would they be able to accomplish that? It's going to be tough enough for them to accomplish it on their own with Line 5 operating, but if it's not operating, that whole area of the U.S. is not functioning. How can they move forward?

The Chair: You have 30 seconds or less, Ms. Greenwood. We're tight for time right now.

Ms. Maryscott Greenwood: That's exactly right. I agree with the premise of the question. I don't know how the U.S. could do it in that scenario.

The Chair: Okay. Thank you very much.

I know, Ms. Greenwood, that you have a hard five o'clock close, so I want to respect that time.

I want to thank all the witnesses for giving us all this information, coming with different perspectives and helping us to dive deeper into this issue.

Thank you very much, everybody, and thank you again to the witnesses for their time.

The meeting is adjourned. Have a good week, everybody.

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