

June 1, 2022

Members, House of Commons Standing Committee on Natural Resources
Re: Creating a fair and equitable Canadian energy transformation
Submitted to Geneviève Desjardins, Clerk of the Committee via RNNR@parl.gc.ca

Dear Members:

On behalf of Westshore Terminals, I thank you for undertaking this important and timely study, and for the opportunity to submit this brief for your review and consideration.

Westshore Terminals is a coal export terminal located in Delta, British Columbia that handles both steelmaking coal and thermal coal. Today, thermal coal accounts for 60 to 70 percent of our annual volume and revenue. As a result, our business will be severely impacted by the Government of Canada's pledge at the COP26 summit to end thermal coal exports by 2030.

For Westshore, thermal coal exports generate approximately \$250 million in annual revenue and are responsible for 200 direct, family-supporting, unionized jobs., as well as numerous indirect jobs from the railways, Pacific Pilot Authority, shipping lines, tug services, local contractors, and suppliers of various goods and services who work with us.

Our company understands the importance and necessity for Canada to reduce our nation's impact on global climate change, however, an effective transition will take time and sufficient resources.

Global leadership and bold action by the Government of Canada requires a fair and just transition for Canadians and Canadian businesses, and a phased roadmap developed in collaboration with our sector. Our intent is not to attempt to alter the government's decision on thermal coal exports, but rather to request the collaborative development and implementation of a plan that considers our obligations to our employees, our customers, and our shareholders.

A 2030 timeline requires private industry to shoulder the costs of public policy, and our industry operates on significantly longer time horizons than the eight years - at most - allotted for this significant transformation. Westshore has, just recently, invested \$250 million on coal handling equipment, the financial justification for which was based on a 30-year operating business case. We have existing commitments to customers that extend into the next 15- years, and a dedicated workforce counting on our leadership and the Government of Canada's support to navigate this change. Additionally, existing operating Canadian mines must be given the opportunity for a gradual phase-out to reduce the impacts on local communities and Canadians' lives.

Our concerns were validated and amplified in the recent **Just Transition to a Low-Carbon Economy** report from the Office of the Auditor General (OAG). The report recognized that employment in certain sectors such as coal will be impacted, along with their families, their communities, and the businesses that contribute to the industry.

Notable to us, were the OAG's key findings that the federal government was not prepared to support a just transition to a low-carbon economy in the coal sector; that federal programs and benefits fell short of a just transition for coal workers; and that the gender-based analysis plus undertaken for the coal-transition programs did not reflect the diversity of the workers in the sector.

The OAG made numerous recommendations to the government to improve the supports needed for a just transition. While the report does reference the Government's plans to end thermal coal exports by 2030, the recommendations in this report, all of which the Government agreed with in their responses to the OAG, focused primarily on workers and communities affected by the accelerated federal phase-out of coal-fired electricity. We believe valuable lessons have been learned as a result of this audit and wish to prevent a repeated lack of preparedness to justly transition the thermal coal export sector in Canada.

Accordingly, our ask of this committee is to recommend to the Government of Canada that:

- 1) Conduct an economic and social impact assessment on the banning of thermal coal exports by 2030.
- 2) Following the completion of this assessment, collaboratively develop and implement a just transition plan - including funding and compensation vehicles - for the thermal coal export sector.

Regards,

Glenn Dudar

Vice President and General Manager

Westshore Terminals