

## **SUPPORTING CANADA'S RESPONSIBLE RESOURCE DEVELOPMENT (2013)**

B.C. and Canada's resource development projects, and associated infrastructure, are an economic enabler for its economy, allowing value added sectors to develop, create jobs, and compete.

Currently, B.C. and Canada have a unique set of opportunities that can provide benefits for generations to come.

Unprecedented natural resource opportunities have the potential to drive billions of dollars of investment in new capital projects. In their Plan for Responsible Resource Development, the Federal Government estimated that over \$500 billion of new investments will occur across Canada over the next ten years in the mining, energy and forest sectors. These investments will be an important source of job creation for years to come.

Perhaps the most relevant example of the risk is the Northern Gateway project. The Chamber is very supportive of the project and believes that the Northern Gateway initiative is of national importance, with the potential to significantly expand market access for the good of all Canada.

In addition to an estimated \$81 billion in tax revenues and a \$270 billion in national GDP uplift over 30 years, construction of the Northern Gateway Pipelines project will benefit communities throughout the country. In total, the project will generate 558,000 person years of employment yielding \$48 billion in labour income and will provide \$28 billion of value to industry in the first 10 years alone. Over 1,177 km of pipeline with pump stations, and the marine terminal, will provide 1,400 person years of direct construction employment in Alberta and 4,100 person years in B.C. Including indirect and induced employment, a total of 62,000 person years across Canada will boost labour income by \$4.3 billion.

Despite the importance of this project, we are not having a reasoned, fact based discussion on the merits of the project. Despite a rigorous, independent, Joint Review Panel that is designed to identify issues and concerns and on balance determine whether the project is required for public convenience and necessity.

Regulatory review of resource and infrastructure projects addresses a broad range of environmental, health and safety, socioeconomic, community, and Aboriginal issues to ensure that the concerns of all interested stakeholders are taken into account. Potential environmental effects of a proposed project are identified and evaluated, providing the opportunity for the proposed project to be modified, if appropriate, before detailed design and construction starts.

Through the regulatory review process, potential projects are endorsed, modified or rejected depending upon whether significant adverse effects, following planned mitigation measures, are predicted.

The Chamber believes that it is critical that B.C. maintains its reputation as a jurisdiction open to investment. Achieving the investments needed to ensure Canada's competitiveness will require an efficient regulatory review process that ensures continued health and environmental protection of Canadians while generating jobs, economic growth and prosperity. A streamlined

process will encourage investment by providing businesses with a clear and predictable process to protect the environment while making the best use of limited government resources.

Inefficient and unpredictable processes may turn away potential investors and prevent businesses from being able to make informed location and logistic decisions. For example, the World Economic Forum has cited “inefficient government bureaucracy” as one of the biggest impediments to improving Canada’s economic competitiveness.

We need to make sure that the regulatory review process is efficient, has a clear scope, reasonable timelines, and the flexibility to address unforeseen circumstances.

All levels of the government have been working to make the regulatory review process more efficient by bringing greater certainty to the timelines for each review and by eliminating redundant or duplicative practices. The Federal Government took significant steps in this direction in the March 2012 Budget, which proposed system-wide legislative improvements to the review process to achieve the goal of “one project, one review” in a clearly defined time period. The budget proposal to streamline the review process for major economic projects, support consultation with Aboriginal peoples, and strengthen pipeline and marine safety is welcomed by the Chamber. This intention builds on earlier improvements, including the creation of the Major Projects Management Office (MPMO), to provide a single window for the federal regulatory process for natural resources projects and on changes to the Canadian Environmental Assessment Act.

The Chamber welcomes changes to improve the efficiency of the regulatory review process for major infrastructure projects. However, we encourage all levels of government to continue to build on these improvements to ensure that Canada develops a world class regulatory system that effectively supports economic competitiveness while protecting Canadians and the environment.

#### THE CHAMBER RECOMMENDS:

That the Provincial Government work with the Federal Government to:

1. recognize and support one project, one environmental review process;
2. actively work together and with First Nations in an expeditious manner to resolve outstanding treaty negotiations to provide certainty and stability required for private investments;
3. coordinate, in an expeditious manner a review of Canada's marine safety regime, other international regimes and what, if anything Canada would need to do to ensure it has a world class marine safety system;
4. coordinate, in an expeditious manner a review of Canada's terrestrial oil spill safety regime, other international regimes and what, if anything Canada would need to do to ensure it has a

world class terrestrial safety system;

5. work together to identify opportunities, training, education, joint ventures, etc., that would ensure First Nations communities can fully participate and benefit from Western Access and natural resource development opportunities; and
6. take a more proactive role in communicating facts about the provincially and federally regulated pipeline industry as well as B.C. and Canada's safety record for shipping heavy oil.

Submitted by the Policy Development Committee