## Daily Oil Bulletin

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## Government Must Play A Role In Fulfilling The Ownership Goals And Aspirations Of Aboriginal Communities Living Along Pipeline Routes

BY <u>CARTER HAYDU (/AUTHOR/CARTER-HAYDU/)</u> – MARCH 1, 2016 – <u>VIEW ISSUE (/HEADLINES/2016-03-01)</u>

The federal government might not want to be "cheerleaders" for pipeline projects, but it must play a role in fulfilling the ownership goals and aspirations of Aboriginal communities living along pipeline routes, says a former chief.

"These are not unreasonable things to ask for, and the federal government and provincial government have an important role to play in bridging that gap, and they are not," **Blaine Favel**, chancellor of the **University of Saskatchewan**, told Monday's Milestone **GRP** conference. "They are leaving it to industry, but industry does not have the deep pockets or legal responsibilities to do that. That is government's job."

The former chief of the **Poundmaker Cree Nation** and **Federation of Saskatchewan Indian Nations** said Prime Minister **Justin Trudeau** is right to take a more balanced approach to dealing with pipeline projects than perhaps his predecessor did, because Aboriginals view such a balanced approach with less skepticism. However, the prime minister should nevertheless own the market access question and talk with chiefs about its importance.

"He has a lot of credibility, and this is a prime minister that Indian people like. If he says we need a pipeline for the national interest, and we will make sure your [Aboriginals'] interests are accommodated and we will help pull you out of poverty, then I think there will be a complete change in attitude."

According to Favel, a reasonable standard of accommodation on consultation would not equate to 100-per-cent consent by Aboriginal communities on proposed pipeline projects, as that is impossible. However, he believes 80-per-cent approval is reasonable. In order to earn that consent, aside from the ownership issue, governments must help Aboriginals "catch up" to the rest of Canada.

"These are the poorest people in the country, because their governments are underfunded. That is a straight issue. [Government has] to create some goodwill there."

While he might not want to be a pipeline cheerleader, the prime minister has indicated that it is his job to get Canadian products and resources to world markets, noted **Chris Bloomer**, president and chief executive officer of the **Canadian Energy Pipeline Association** (CEPA). Right now, he said, the feds could support industry in that regard with more immediate clarity around regulatory processes.

The CEPA president noted that Trudeau was pragmatic and somewhat helpful to industry when suggesting there could not be full consensus on projects. "More indications like that, I think, would be helpful."

While federal and provincial governments must figure out how to get Aboriginals into an ownership position of assets, Favel said the solution for industry is to keep doing the work it is doing.

"Consult with communities, do the impact benefit agreements, try to create as many jobs as you can, because the history of colonialism in this country is that Indians were pushed to the side, and Indians were kept poor and away from projects."

One challenge regarding consultation with First Nations communities is the legislated short, two-year election cycles, and this often results in regular local government turnarounds, Favel said. He noted stable communities that conduct good business tend to keep stable leadership for extended timeframes, and broader agreements between First Nations can improve predictability as well.

"Part of the solution is structural in terms of setting up proper development corporations and having arm's-length business enterprises. Part of the challenge is how to create a more comprehensive relationship with several First Nations under the same framework."

## Social media catch-up

On the topic of winning public support for pipeline projects, First Nations and otherwise, Bloomer attributes many of the contemporary challenges industry faces to the social media revolution.

"I will hearken back to **Kinder Morgan**, which twinned part of a pipeline a few years ago through two national parks and several First Nations groups without a peep, and that has been operating safely," he said, adding that over the past decade the Canadian energy sector has seen an "explosion" in innovation within the oilsands and the unconventional space, and that has corresponded with the rapid rise of social media.

"I think industry is playing catch-up in terms of how socially things have changed over that period of time so dramatically. It is not to blame anyone. It is just a fact of life. Things have changed over the past 10 years, and the ability to have input and comment on a global scale is there for us, and so we need to deal with it."

**John Soini**, president of **TransCanada Corporation**'s Energy East project, said industry is a "little bit behind" when it comes to using social media to its benefit, and it is important that companies maintain a presence on applications such as **Facebook**, **Linkedin** and **Twitter**. However, he added, the nature of social media also means members of the public who support projects must more proactively voice their support, because opponents are grabbing more attention.

"Gone are the days where sitting at home quietly means you support a project," he said. "The ones going to open houses are generally opponents, and so it is important supporters actually take an active role, otherwise their voices are not going to be heard. [Voicing support] is through many means — social media, direct interaction and engaging in the project. If you are supportive of the industry, show your support for the industry, because everyone has a voice."

He added: "TransCanada is absolutely committed to the Energy East project specifically, and the Energy East project is in the regulatory process. Quite frankly, we have various levels of support for the project across Canada. Having said that, we will continue our efforts to have the right discussions, we will continue to listen."

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