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Canadian Chamber Of Commerce CEO Calls On Ottawa To Set Clear Policy On Pipelines

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The construction of new energy pipelines could provide a desperately needed jumpstart to the Canadian economy at no cost to the federal government, the chief executive of the **Canadian Chamber of Commerce** said Monday in Calgary.

“While today’s debate in Ottawa appears to be about how much the federal government can borrow to invest in infrastructure, what gets lost is the fact that the government has the ability to unlock billions of private sector dollars to build critical growth-inducing infrastructure without adding a penny to the national debt,” **Perrin Beatty**, Chamber president and CEO, said in a keynote speech at a conference organized by **Milestone GRP**.

The Trans Mountain and Energy East oil export pipelines will each require a workforce of more than 14,000 during construction, employ hundreds of local contractors and get money flowing across the economy, he said. “They will drive economic growth for decades to come, will create jobs for Canadian families and generate tax revenues for governments that today are confronting massive multibillion-dollar deficits.”

However, the federal government needs to set a clear policy for getting the country’s energy to international markets, according to Beatty. “We need to be unequivocal in stating that Canada has not only the right but the responsibility to bring our resources to market in a way that is safe, that respects the environment and that recognizes the rights of our Aboriginal peoples.”

Pipelines matter because they are crucial to the competitiveness of the energy industry which supports the livelihood of so many Canadians, he said. “As job cuts dominate the headlines, it’s easy to forget how important the oilpatch remains as a source of opportunity for folks not just in

Alberta, Saskatchewan and Newfoundland and Labrador but also across the country.”

The hidden economy of the oilsands suppliers also is suffering, according to Beatty. For example, firms such as **Tenaris Algoma Tubes** in Sault Ste. Marie, Ontario has had to lay off thousands of workers. “That company is a great example of maximizing value-added from natural resources right here in Canada,” he said. “Tenaris takes iron ore from Quebec, transforms it into steel pipes in Ontario’s manufacturing heartland and uses the pipes in Alberta’s energy fields.”

In his speech, Beatty expressed concern that when it comes to the politics of pipelines, different parts of the country, whether a province or a city, appear to be looking out only for themselves without focusing on what’s good for Canada as a whole. “Rather than supporting each other, we are currently competing and watching closely to make sure that no project tips the scales and benefits one place more than another; we seem more worried that someone may get ahead of us than that others are falling behind,” he said.

“We have to stop asking as Canadians ‘what’s in it for me’ and start talking about ‘what’s in it for us,’ if we want to be one country in more than just name.”

Canada implemented a system of equalization payments to ensure that all Canadians share a similar level of public services, no matter how well or how poorly their province was doing and western Canadians contributed billions of dollars over the years to make sure that other Canadians weren’t left behind, Beatty reminded his audience.

“That’s what it means to be citizens of one country but why shouldn’t the same principle apply when it comes to creating the wealth we are sharing?” he asked.

This principle is especially important when it comes to landlocked provinces such as Alberta and Saskatchewan that have no choice but to cross provincial boundaries to get their products to market, said Beatty. “Call it equalization of opportunity to go along with our equalization of public services.”

The type of regional envy currently being seen in Canada will have consequences much more far reaching than the direct projects they affect, he warned. “These debates, including around pipelines, raise serious doubts about Canada’s ability to get large projects done.

“Unless we unlock this bottleneck, all of us will pay the price, no matter where we live in Canada.”

Global business will simply decide that Canada’s “not worth the trouble,” said Beatty, adding that he has already been hearing those murmurs from members of the diplomatic community and Chamber members from large international companies.

In making investment decisions, global businesses also look at the uncertainty and overly politicized nature of Canada’s regulatory processes, audience members heard. “The world needs energy and natural resources and does not much care if they come from Canada or from somewhere else,” he said. “So let’s make sure that we can provide a safe, responsible resource.”

At the same time, Canadians are rightly concerned about climate change and the Canadian Chamber of Commerce shares that concern with a policy that urges the federal government to put a price on carbon, according to Beatty. Since 2014, it has cited a lack of clarity on climate policy as one of the top 10 barriers to Canadian competitiveness, he noted.

“We are eager to work with the federal government and with others to ensure that Canada uses smart strategies to move towards a low carbon economy,” said Beatty. “But what we are not prepared to do is to let largely symbolic actions take the place of a smart climate change policy.”

Stopping pipelines, he suggested, does not amount to significant action on Canada’s greenhouse gas emissions. “The issue, of course, is how we produce and use the product they transport.”

The world is expected to continue to rely on petroleum for decades to come, said Beatty. “It simply does not make sense for Canada to cripple our own industry when other countries, many of which have less stringent environmental regulations or less capacity for innovation, will be willing and able to step into the void,” he said. “That represents a significant loss for Canada but no gain whatsoever for the global climate.”

And while it’s the government’s role to set policy, it’s the role of the regulator to evaluate specific policies within the context of that policy, he said. “Of course the NEB [**National Energy Board**] process to approve pipelines should be rigorous, should absolutely respect the rights of indigenous peoples affected by these projects to be consulted and accommodated. We need to ensure that whatever problems are raised are appropriately addressed.”

However, Beatty said he's talking about a fair process that is uncontroversial. "The loudest opponents to energy exports have little interest in how fair or how thorough the NEB process is," he said. "Their focus is on the outcome of that process and any process that leads to a pipeline getting built will be deemed unacceptable."

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