



**“Study on the development of a strategy to facilitate the transport  
of crude oil to eastern Canadian refineries and to ports on the  
East and West coasts of Canada”**

**Recommendations to the Senate Standing Committee on  
Transport and Communication**

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On behalf of the Alberta Chambers of Commerce (ACC) federation, we respectfully submit recommendations to the Transport and Communications Senate Committee. These recommendations reflect the perspectives and concerns of the ACC and the 126 community chambers of our federation who represent over 24,000 businesses in the Province of Alberta.

It is important to note before addressing the questions posed by the Senate Committee that the brevity of this submission is not intended to be antagonistic or over simplistic. Given the current and overwhelming role of government in economic development, our paralysis in decision-making is a shared problem. It is a problem requiring immediate redress – we are letting opportunities pass us by and jeopardizing future generations’ ability to prosper in the emerging conditions of their time.

As such, this submission intends to model an honest approach to addressing root causes and a commitment to directly address the obstacles we currently face in advancing the public interest through the transport of our crude oil products.

### The facts and path forward

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The prosperity of future generations hinges on the ability of Canadians to leverage current opportunities for immediate and future benefits. Among our greatest opportunities today are the extraction and transport of energy resources. The benefits of developing these resources provide the means to invest in our future: they make available the education, skills, innovation and infrastructure necessary for new generations to compete, excel and prosper in the emerging conditions of their time. Securing long-term viability of the oil and gas sector through clear, consistent and timely regulatory processes is a public responsibility.

Alberta’s energy industry has long been integral to Canadian’s prosperity. Through significant contributions to the national economy, standards of living have improved as a result of growth in the oil and gas sector. Living standards have also improved because Canada has high regulatory standards for the extraction and transportation of oil and gas products. With shared priorities for preserving our environment and Canadians’ health we have, to date, developed natural resources responsibly.

The safety records and environmental impacts associated with oil transportation in Canada are a benchmark among hydrocarbon exporting nations.<sup>i</sup> These facts are certain, as are the benefits of moving crude oil to markets which provide the best value for these non-renewable resources. Global energy demand will continue to provide a market for non-renewables for many years; it is a further certainty that weaning Canada's inputs to the global supply of oil will have a minute, if any, effect on global consumption. As such, the strategic imperative for transporting crude is clear – get it to world markets and indeed, domestic markets which currently import non-renewable energy products.<sup>ii</sup>

Given the facts and associated public responsibilities with ensuring a proactive and transparent approach to economic development, the Alberta Chambers of Commerce recommends the federal government embrace a principle of “Do no Harm” in executing and delivering on its mandate. Taking such an approach would require the federal government to first, examine its role in the current state of uncertainty and second, address the culture of intervention and circumvention in regulatory processes.

## How the federal government could help facilitate social licenses for crude oil transportation infrastructure projects, such as pipelines

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Herein lies an important root cause of our current predicament. Social license is an undefined and politicized term. Until such a term is defined in legislation or regulation, referencing social license as a directive for government consequently erodes public confidence in regulatory processes.

It is unreasonable to expect the public to be confident in processes established to serve the national interest when the terms of reference are undefined. Furthermore, it is equally unreasonable to expect investment in a business environment when certainty and clarity are replaced by political concepts advanced by special interests whose motivation – by definition – do not align with the public interest.

The implications of unclear terms of reference in determining the public's interest stretch beyond the boundaries of oil transportation projects. In all activities of federal regulation, the terms of reference for determining approvals should be clearly defined and adhered to until modified through due process.

## How to improve public confidence in the pipeline review process

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Changing the rules of the game, picking winners and losers, and abdicating on responsibilities – by governments – are among the primary drivers of low public confidence in current federal regulatory processes. Notwithstanding proposals to broaden the scope of information informing National Energy Board (NEB) decisions (eg. GHG emissions or traditional knowledge), lack of confidence in evidence-based decision making stems from circumventing the established processes for making decisions.

The NEB is mandated to make its recommendations based on the public interest. Until NEB recommendations are tabled to the federal cabinet, political intervention or speculation on projects under review actively circumvents the function and mandate of the NEB.

By Sections 91 and 92 of the Canadian Constitution Acts 1867-1982, the integrity of federal processes should be upheld notwithstanding obstruction by personal protest or provincial politics. It is the role and responsibility of the federal government to instill confidence by modeling confidence and to uphold the Constitution and the regulatory processes established through the legislative framework.

## How to facilitate the involvement of Indigenous peoples in decisions related to crude oil transport

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Best practices exist for engaging Canada's First Peoples in decisions affecting their traditional lands and territories. Chambers have been leading advocates in advancing and promoting those best practices.<sup>iii</sup>

As the representative of Canadians, the federal government has the obligation to advance best practices by modeling them in all its activities. Where government involvement is required to advance regulatory

decisions, as in the case of consultation with Indigenous communities, the conduct needs to be consistent with Supreme Court's rulings on the Duty to Consult and to uphold the Honour of the Crown.<sup>iv</sup>

While that means listening and respectfully considering views within the context of making regulatory recommendations, that does not mean securing one hundred per cent support for projects. As with all infrastructure projects influencing multiple constituencies, the role of government is to make decisions based on the expertise of those responsible for determining if the respective project is in the public's interest.

If a national strategy is needed, what are the key elements

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If long-term prosperity is the goal, what needs to be done within the context of global markets and economic development has been made abundantly clear by thought leaders across the nation. We have an independent NEB process staffed by experts in their fields, and the NEB is mandated to make recommendations in the context of Canadians' strategic and long-term benefits.

The mechanisms and analysis for acting strategically in economic development related to the movement of crude oil are in place. To enable strategic decision making the NEB process must provide clarity, certainty, and timeliness in the execution and delivery of regulatory decision-making. For the implementation of a strategy, it is the role of the federal government to support the NEB in delivering on its mandate, to make decisions based on NEB recommendations and to align provincial and territorial constituents to ensure the timely delivery of projects.

Once the NEB has delivered its ruling and tabled its recommendations to the Federal Cabinet, it is the responsibility of government to take a decision, expeditiously and clearly, to approve or not approve.

### Summary

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Higher living standards enable individual choice and diversity, and as such are instrumental to the value of liberty in Canadian society. This liberty is envied by many around the world, and it is a hallmark of Canadian culture in both the private and public spheres.

Economic development through our oil and gas sectors have been, and should continue to be in coming decades, irreplaceable contributors to the standards of living Canadians broadly share. What is currently putting these contributions at risk is an overvaluation of perspectives advanced by special interests; perspectives that are enabled to inform public dialogue through the liberties Canadians enjoy. When evaluating the confidence in, and effectiveness of, our processes for advancing the public interest we must be careful not to confuse the activism of special interests with the view of Canadians as a public.

By modeling confidence and appropriate behaviour, the federal government can ensure the liberties Canadians enjoy today are available for future generations through responsible and forward thinking economic development across all sectors. The ACC appreciates the opportunity to contribute to this critical dialogue for enabling the future prosperity of Canadians and the viability of businesses today.

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<sup>i</sup> [Moving Oil by Water: Five Facts Every British Columbian Needs to Know](#) (Canadian Chamber of Commerce, 2014)

<sup>ii</sup> [\\$50 Million a Day](#) (Canadian Chamber of Commerce, 2013)

<sup>iii</sup> [First Nation Prosperity: Government of Alberta's Policy for Consultation with First Nations on Land and Resource Management](#) (Alberta Chambers of Commerce, 2014)

<sup>iv</sup> [Seizing Six Opportunities for More Clarity in the Duty to Consult and Accommodate Process](#) (Canadian Chamber of Commerce, 2016)