



LEGISLATIVE ASSEMBLY
ALBERTA

Hon. Jason Kenney, PC, MLA
Leader of Her Majesty's Loyal Opposition

March 29, 2018

Hon. Rachel Notley, MLA
Premier of Alberta
307 Legislature Building
10800 – 97 Avenue
Edmonton, AB
T5K 2B6

Dear Premier:

On February 8th, 2018, the Government of Canada introduced a comprehensive overhaul of how future energy projects are approved and the environmental criteria used to assess them. I remain deeply concerned that these new measures will discourage further investment in Alberta projects and result in even more uncertainty for the energy industry.

While the legislated timelines for decision-making could have achieved more certainty for job creators, this is not the case under the proposed new rules. Under the new rules, the expanded scope of what comes under review will only deter much-needed investment in job-creating projects. While the federal government is claiming that it has reduced timelines, the reality is that the cumulative timeframe could now become as long as nearly 3 years, a significant increase from the current 15 month requirement (once all phases of the process are taken into consideration).

Industry has also expressed concern over the new Impact Assessment process and the sudden inclusion of larger policy issues in individual project reviews, further politicizing the assessment process. It also introduces a degree of subjectivity that will erode the confidence of Canadians in the review process. In a Parliamentary Committee submission this week, the Canadian Energy Pipeline Association (CEPA) stated that the net effect of the new rules proposed by the federal government would be "an impractical and unworkable process that will create unmanageable uncertainty and a decision-making framework that will insert broader policy issues squarely into a process that is not equipped to resolve them."

Pipeline companies have said that these new rules will make it less likely that they will propose new projects. Just this past Wednesday, CEPA President Chris Bloomer stated the following to the House of Commons Environment Committee: "It is difficult to imagine that a new major pipeline could be built under the *Impact Assessment Act* (Bill C-69), much less attract energy investment to Canada." This comes at a time when the industry is already pessimistic about the future. JWN's recent 2018 Industry Outlook Survey Results showed that a majority were pessimistic about the future and gave failing grades to recent actions by the federal and provincial governments.

The proposed new federal measures follow a troubling pattern of obstruction from Ottawa, one that has already halted major projects. On November 29, 2016, Prime Minister Trudeau formally vetoed Enbridge's Northern Gateway project, which would have provided Alberta producers 525,000 barrels per day in new capacity.

On October 5, 2017, TransCanada halted the Energy East project after the Trudeau Liberal government imposed a mid-review change at the National Energy Board (NEB), suddenly bringing upstream and downstream emissions into consideration. It was an outrageous expansion of the NEB's mandate, and the mid-review nature of the change sent a troubling message to all looking to invest in Canada. When TransCanada suspended their Energy East application on September 7th, a month before halting the project altogether, they were clear about the reason: "Due to the significant changes to the regulatory process introduced by the NEB."

On the ongoing matter of the Trans Mountain Expansion Project, you have previously expressed concern that Ottawa is not doing everything in their ability to ensure that the project succeeds. Despite their vague verbal assurances, these examples showcase the negative posture of the current federal government toward our resource industry.

The new project approval rules put forward by the federal government must still be passed by Parliament. Before this legislation is pushed through, it is imperative that we make it clear to all involved that Albertans stand united against these changes.

Accordingly, I propose that, upon the return of the Legislative Assembly, we give immediate consideration to a motion to the following effect:

Be it resolved that the Legislative Assembly stand opposed to the Government of Canada's proposed Impact Assessment Act that will further diminish investor confidence in Alberta's energy industry, jeopardizing Alberta jobs.

I would, of course, be open to modifying this draft language in an effort to find all-party consensus on this issue that is so critical to our economic future. You have the assurance of my full cooperation to do what we can to unite the Legislative Assembly in speaking for Albertans on this issue.

Thank-you for your consideration of this request.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jason Kenney', with a stylized flourish at the end.

Hon Jason Kenney, PC, MLA
Leader, Her Majesty's Loyal Opposition

cc: Rick Fraser, MLA, Alberta Party Caucus Leader
Dr. David Swann, MLA, Alberta Liberal Party Caucus Leader