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Chair

Mr. Leon Benoit

Standing Committee on Natural Resources

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• (1530)

[English]

The Vice-Chair (Hon. Geoff Regan (Halifax West, Lib.)): The meeting is called to order.

[Translation]

Ladies and gentlemen, welcome to this meeting of the Standing Committee on Natural Resources. Pursuant to Standing Order 108 (2), today, we are holding a briefing on the Major Projects Management Office.

We are welcoming two witnesses from the Department of Natural Resources: Jim Clarke, Director General of the Major Projects Management Office; and Terence Hubbard, Director General of Policy at the Major Projects Management Office.

[English]

Ladies and gentlemen, we will start with a presentation by the representatives of the major projects management office, which will be followed by a period of questions.

We do expect the arrival of the regular chairman sometime over the next few minutes, at which point he will wrestle me to take over the chair, I'm sure.

Gentlemen, welcome. Please go ahead.

Mr. Jim Clarke (Director General, Major Projects Management Office, Department of Natural Resources): Thank you for the opportunity to address the committee today.

Our opening remarks, as outlined on slide 2, will provide a brief overview of Canada's natural resource sector and the importance of major projects, then outline the role of the major projects management office, and then provide a brief update on the responsible resource development plan.

Turning to slide 3, natural resources have always been a cornerstone of the Canadian economy and remain so to this day. Currently, the natural resource sector represents 18% of nominal GDP and supports 1.8 million direct and indirect Canadian jobs. The sector also attracts nearly one-third of new capital investments, valued at \$120 billion. Natural resources are also responsible for over half of our merchandise exports. Taxes and royalties from this sector support key government services such as education and health care.

Turning to slide 4, looking forward, it's estimated that there could be hundreds of major natural resource projects representing as much as \$650 billion in investments in Canada's economy over the next

decade. A modern regulatory system for the review of major projects will help attract continued investments to ensure we capitalize on natural resources opportunities to support Canadian jobs, growth, and prosperity during uncertain economic times.

It should be noted that timing is critical as emerging Asian and other international markets are necessary to replace traditional ones. As a result, major projects need to be managed well to ensure they meet their timelines.

Slide 5 outlines the main challenges with the previous regulatory system prior to the MPMO initiative. For example, legislation, regulations, and policies that deal with similar issues should always work in a coordinated fashion, but this was not always the case. Several other key issues existed.

Project reviews generally had no fixed timelines and had become unpredictable, sometimes taking many years to complete. Also, too many small routine projects with negligible environmental risk or risks that were already being managed elsewhere were taking up federal resources that could be applied to projects with a greater risk profile. Issues also existed with the way the crown was discharging its duty to consult with aboriginal groups; it was inconsistent and disorganized.

Finally, the gaps in environmental compliance and enforcement tools were another issue. This included gaps in environmental assessment follow-up, a requirement under the old regime that was not always consistently done. Furthermore, delays and duplication did not bring environmental benefits, but instead were compromising the effectiveness and efficiency of Canada's regulatory regime.

Addressing a system-wide challenge required a system-wide response. That segues into slide 6, which shows how the government-wide MPMO initiative established through budget 2007 was a response to the challenge of improving the regulatory system.

A cabinet directive was put in place to bring the system together. This included 12 partner departments and agencies that are committed to working better together in a horizontal manner on the issues facing major project reviews.

A major projects deputy minister committee was established to provide overarching governance and senior level oversight, and the MPMO was created within Natural Resources Canada to act as a focal point for the initiative.

This office has a dual mandate. It has an operational mandate to enhance existing processes and procedures for major project reviews, and it has a policy mandate to drive towards more fundamental improvements.

We have a small but dedicated team of 25 people. Both the operational and the policy sides of the MPMO are driving towards the same strategic outcomes to ensure improvements in the regulatory system. The MPMO initiative provides capacity investments for six key regulatory departments, and funding was renewed in 2012, to go until March 2015. I'll now turn to slide 7.

• (1535)

[*Translation*]

Regarding project management, slide number 7 contains information on the management of the MPMO's portfolio. That includes about 75 projects that represent \$218 billion in potential new investments in the country. Mining projects are represented in 71 of the portfolios, while the rest is made up of energy projects. As you can see, the portfolio includes complex projects from the natural resources sector.

[*English*]

Slide 8 describes the suite of operational enhancements put in place through the initiatives that have been implemented across departments. New tools have been created to make project reviews more timely and predictable, such as project agreements, weekly status reports, and monthly deputy minister committee meetings.

The whole-of-government approach to aboriginal consultation has been developed to improve the consistency and meaningfulness of consultation for major projects. An MPMO client account manager is assigned to each project to serve as a single window for proponents and to ensure that project-related issues are identified and resolved in a timely manner.

Our IT tool, the MPMO tracker, allows anyone to track the completion of project review milestones online, allowing for a far more transparent process. As a result, the measures put in place help reduce project review timelines while maintaining our high environmental standards and the overall effectiveness of the review process.

Slide 9 shows that in terms of the policy mandate, the MPMO has been driving systemic change across government. Since 2007, the MPMO initiative has served as a focal point for collaborative policy work to advance fundamental reforms, including legislative changes.

The MPMO is providing horizontal leadership to advance system-wide the suite of 12 regulatory initiatives under the current plan for responsible resource development, otherwise known as RRD. We're also responsible for bilateral and multilateral engagement with provinces; advancing the objective of one project, one review; implementing and overseeing the whole-of-government approach to aboriginal consultation for major projects; and advancing earlier engagement with aboriginal groups.

Slide 10 outlines how improvements to the regulatory system for major projects have been incremental in nature and builds on a series of regulatory reform initiatives put in place in recent years. In 2009, changes were introduced to accelerate infrastructure investments

under Canada's economic action plan, which included an action plan to improve the regulatory regime in the north. In 2010, the government made targeted changes to the Canadian Environmental Assessment Act and established dedicated participant funding programs. Under Canada's economic action plan 2012, \$165 million was allocated over two years to support responsible resource development, including renewal funding for the major projects management office initiative.

Through budget 2012, the government also introduced legislation to streamline the review process for major projects. That legislation, Bill C-38, was given royal assent on June 29, 2012, and implementation of these important changes is under way.

Slide 11 provides a summary of key changes under the plan for responsible resource development, or RRD. The plan focuses on four key objectives or pillars.

The first pillar improves process predictability and timeliness, which consolidates environmental assessment responsibilities from 40 departments and agencies to three. It sets legally binding timelines and ensures that information requirements are clear.

The second pillar reduces duplication in the system by enabling substitution with provinces and allowing organizations that are capable of issuing regulations to issue them.

The third strengthens environmental protection, which focuses resources on major projects where there could be risks, but also introduces new enforcement and compliance measures.

The fourth pillar enhances aboriginal consultation and engagement, which I'll explain in more detail in the next slide, considering its importance to major projects.

Turning to slide 12, the aboriginal consultation and engagement pillar is critical for responsible resource development. Key policy commitments include: allowing better integration of aboriginal consultations into the new environmental assessment and regulatory processes; providing \$13.5 million as part of budget 2012 for funding over two years to support consultations with aboriginal peoples; establishing consultation agreements with aboriginal groups and provincial governments.

The objective of these measures is to promote positive and long-term relationships with aboriginal communities. This will help improve reconciliation and facilitate greater participation of aboriginal people in the direct and indirect benefits of new resource projects.

Added to these initiatives is the fact that the Prime Minister has appointed Doug Eyford as a special federal representative on west coast energy infrastructure to engage aboriginal groups on energy infrastructure issues and opportunities. His report is due at the end of this month, on November 29.

Furthermore, the government has recently introduced a new publicly available online tool called ATRIS, the aboriginal and treaty rights information system. It provides users with information on treaties or agreements and claims processes on a geographic basis. This increases the accessibility of up-to-date, site-specific information on the rights or potential rights of aboriginal groups.

• (1540)

On the final slide, I'd like to outline our near-term priorities. Moving forward we'll be working to fully implement RRD and its related regulatory framework. From a policy perspective we'll continue to work with partners and provincial governments to advance the objective of one project, one review.

We are also working to ensure the successful transition of 75 projects to the new regulatory model enacted as part of RRD. We will continue to provide oversight and coordination of the whole-of-government approach to aboriginal consultation and engagement for major projects.

We would like to thank you for your interest in the work of the MPMO and for providing time for us today on your agenda. We'd be happy to answer your questions.

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Thank you very much, Mr. Clarke and Mr. Hubbard, for being here today to present information on what is a very important body to handle major natural resource projects development in Canada.

We'll get directly to questions and comments from members. In the seven-minute round we'll start with Ms. Crockatt, then Ms. Duncan, and then Mr. Regan.

Go ahead please, Ms. Crockatt, for up to seven minutes.

Ms. Joan Crockatt (Calgary Centre, CPC): Thank you very much for your presentation. I think we all look forward to being able to understand this office just a little bit better. I'd like to talk right upfront about the moral cause. Can you tell me what is the moral cause for your office? Why are you here?

Mr. Terence Hubbard (Director General of Policies, Major Projects Management Office, Department of Natural Resources): Thank you for your question.

At the time of the creation of the major projects management office it was clear that the current regulatory system just wasn't working well as a system, as my colleague, Jim Clarke, outlined in his presentation.

Over the course of a number of decades a number of regulations and pieces of legislation were put in place for well-intended purposes, but there was very little regard as to how that framework interacted as a system impacting major projects. There were a number of different pieces of legislation, but there was nobody really put in place to look at how those pieces of legislation and regulation interacted together and how they form as a system.

When the major projects management office was created it was really intended to pull together federal regulatory departments and agencies that had responsibilities and a mandate for working on issues related to major projects. It was to ensure that we were taking a whole-of-government approach and looking at issues in a collective way so that we could have a Government of Canada

perspective on how to manage these issues rather than looking at a piecemeal approach and looking at issues from an individual departmental mandate, and not really rowing in the same direction in terms of these important projects going forward.

We had a dual purpose in setting up the office. First and foremost, this was ensuring that those individual projects that were moving through the process at any given time were moving forward as efficiently and effectively as possible while at the same time working with our colleagues in other federal regulatory departments and agencies to take a holistic look at the system and how it worked together and to develop options and opportunities for improving that framework going forward.

Ms. Joan Crockatt: I'm sure both of you are probably familiar with the Mackenzie Valley pipeline project, which is the poster child for what wasn't working. Could you give us a short précis of what happened and what you think the consequences to Canadians were?

Mr. Terence Hubbard: I think as members of this committee are aware, the Mackenzie Valley pipeline project was subject to a very complex review process involving a number of different federal regulatory departments and agencies and different territorial responsibilities as well, and had significant issues related to engagement of Canada's aboriginal peoples along the pipeline corridor.

I think we're all aware of the challenges in terms of the timeliness of that process. During that timeframe the project went through the review process, market conditions changed quite considerably to the point that by the time we got through the review process the economics for the project were quite different from the economics that we're currently dealing with today for natural gas, to the point where there's considerable consideration on whether or not that project ultimately moves forward.

It's one of the reasons for the creation of the major projects management office in terms of steps going forward. It was to ensure that the outcomes, the decisions for these projects, regardless of whether it's a go or a no-go decision could be made on a timely basis, so that when there is a window, and often a short window given market cycles, for these projects to move forward, we can capitalize on those opportunities and have those decisions made in a timely fashion.

• (1545)

Ms. Joan Crockatt: Okay.

I think it took about 21 years—some people say 18; some people say 21—for the Mackenzie Valley pipeline to go through a regulatory process and by the time it was finally approved, there was essentially no market in the United States any more.

Mr. Terence Hubbard: The exact timelines as you mentioned are debated depending on when you start and stop the clock. In terms of the overall outcome, yes, market conditions have changed considerably to the point at which the proponents are reconsidering their project proposal.

Ms. Joan Crockatt: I wonder if I could ask you about environmental assessments. There tends to be issues raised about whether in essentially compressing the timeframe environmental assessments might be somehow jeopardized or watered down. I wonder if you can tell us what the experience is with other countries that use similar timeframes that you use.

Mr. Terence Hubbard: In the course of our analysis and in terms of the work and mandate of the major projects management office, we have looked at a number of different jurisdictions and what they've done in their experiences in managing major projects. Obviously, in terms of setting timelines on four major projects, both prior to implementing the legislative changes where we had a policy commitment to put in place these timeframes in these project agreements Jim talked about earlier, and now through the legislative changes, we're very cognizant of the fact that it wasn't about cutting corners.

It was about ensuring an efficient process, ensuring that we were able to deliver better outcomes at the end of those processes. Looking at the examples of what other countries have done and recognizing that it is a competitive investment environment out there and that we're competing for capital with our other jurisdictions that have resources as well, we need to capitalize on the opportunities while we have them. More important probably than the timeline itself is providing certainty to investors that we have a predictable timeframe in place and what they can expect coming into the process in terms of when they will receive a decision at the end of the day, so they can make their decisions and plan on capital accordingly.

Other jurisdictions, for example the European Union, I'm aware of have a timeline of 18 months from the receipt of a complete project application to review to making their final decisions. Like us, I believe those decisions can be made and effective decisions can be made within a timeframe of that length of time.

Ms. Joan Crockatt: Jim, in your presentation you mentioned that timing is critical, and we are in a globally competitive market. Can you talk about China maybe and what our challenges are with getting things approved in order to take advantage of the Chinese market?

Mr. Jim Clarke: It boils down to being globally competitive.

If you look at a case study on the west coast of Canada in British Columbia, if you talk to the provincial government, they will tell you that there are upwards of 20 potential liquefied natural gas facilities or pipelines that could be built in British Columbia over the next few years if the circumstances are right. There's a lot of interest in Asian markets in terms of the export business.

It's all about having a regulatory process that is predictable and timely, but in no way cuts corners from an environmental protection point of view, and all the while ensures meaningful aboriginal consultation throughout the process, so that Canada can be held up as a model in terms of its regulatory process in terms of efficiency and effectiveness.

The Chair: Thank you very much, Ms. Crockatt.

We go now to the official opposition, Ms. Duncan, for up to seven minutes, please.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Thank you, Mr. Chair.

To the witnesses, thank you very much for appearing on relatively short notice.

I happened to be at the conference in Banff when the former minister actually announced the MPMO. I have followed it with great interest.

I've taken the time to look at some of your agreements for specific projects. I think that might be one of the more useful ways to take a look at how you're saying you're operating and then in practice what happens.

I notice in your presentation you said that to ensure predictability and transparency in project review you have early engagement of proponents and information and guidance for proponents. However, for the Jackpine project, which is a matter of major contention and the final decision on it is still being held up, in the preamble to your project agreement between all the entities, you state that Shell Canada has already submitted its environmental impact assessment.

Can you tell me how this is balancing better the interests of the various responsibilities in government? You state that you have early engagement proponents, and yet your role only comes into effect after the environmental impact assessment has already been signed off.

• (1550)

Mr. Jim Clarke: Thank you for the question.

First of all, I'll mention what our project agreements are and then I'll indicate that depending upon the circumstance of a project, they can be completed very early in the stage of a project review, or depending upon the circumstances of the review, a little bit later than early in the project review.

The philosophy behind the project agreement is that at the earliest moment when there is enough useful information we work with our colleagues across the federal system to outline roles and responsibilities for the review of a particular project. Those include milestones for the environmental assessment, milestones for the regulatory permitting, and an overall examination of how the aboriginal consultation process will be conducted. We work with them to develop a document that will make it very clear who's doing what and what the project milestones are, including target timelines. Everyone who's involved in the review will get their deputy ministers to sign the project agreement, and then we'll post it publicly. Then we'll use the milestones and the target timelines in that project agreement to publicly track how that project is progressing through the review of—

Ms. Linda Duncan: You're not answering my question.

Mr. Jim Clarke: I'm getting there.

Ms. Linda Duncan: Your mandate under the cabinet directive is two things. One is to do more efficient reviews, which is obviously to fast-track, which has been in throne speech after throne speech and budget documentation after budget documentation since I was elected five years ago. Clearly, the government wants to move to more fast-tracking of these developments and to make Canada the energy leader of the world. Your directive actually is two-pronged, and I'm having a hard time figuring out even with the presentation you've made where the other prong comes in.

If your agreement with all the agencies isn't even signed until after the environmental impact assessment has been filed, how do you ensure that, for example, concerns about the environment are...or frankly, with regard to the Jackpine project, that ongoing concerns of the first nations.... There are 88 non-binding conditions attached. How then after the fact can you be coordinating all the input of the agencies when you don't come into play until after the environmental impact assessment has already been filed?

Mr. Jim Clarke: I wonder if we have an issue of terminology here.

You're talking about the environmental impact statement, not the report, not the result of the review itself.

Ms. Linda Duncan: I'm reading from your document which says, "has submitted an Environmental Impact Assessment (EIA) report".

Mr. Jim Clarke: Right, and that's essentially the upfront document prepared by the proponent in terms of the anticipated impacts of the project. That is then subject to a public hearing process—

Ms. Linda Duncan: No, an environmental impact assessment is never done—

The Chair: Ms. Duncan, come on. You asked a question that requires a substantial answer from the witnesses. I'd ask you to show the courtesy to allow the witness to answer, please.

Go ahead, please, Mr. Clarke.

Mr. Jim Clarke: There was a joint review panel process for the review of the Jackpine mine expansion, which included public hearings and multiple opportunities for public participation, including review and comment on the environmental impact assessment report which Ms. Duncan is referring to. It was a very transparent public process. There was a panel report issued most recently, and now the government is contemplating a decision on the project.

Ms. Linda Duncan: I won't belabour it. You are quite right that the review occurs, but once the environmental impact assessment is filed, there is no public consultation on the environmental impact assessment.

I note, and thank you, that in your presentation you mentioned, specifically for the Enbridge northern gateway project, the government decided to create a second body, and they appointed a special federal representative in west coast energy infrastructure. I note that in their terms, they report directly to the Prime Minister.

What's the role of your entity in the review of the northern gateway project with regard to aboriginal interests versus the role of the west coast energy infrastructure representative?

• (1555)

Mr. Terence Hubbard: Thank you for the question.

First off, I'd just like to clarify that the appointment of Douglas Eyford, the special federal representative, isn't directly linked to any individual project. His mandate is to explore the issues and opportunities related to all of the west coast energy infrastructure. There are a number of proposed projects already being examined as well as a number of other future projects, such as oil pipelines, LNG, and much broader projects. He's looking at the issues and opportunities, such as opportunities to better engage first nations communities both in the review of projects and in the opportunities and benefits that these projects present.

He has a mandate to report to the Prime Minister by the end of November. Obviously, his report and recommendations will influence the policy work of the major projects management office and the work that we do with our federal regulatory departments and agencies to identify further opportunities to enhance our engagement with aboriginal communities going forward. We're looking forward to the recommendations of his report to inform further policy work at the office.

The Chair: Thank you, Ms. Duncan.

Mr. Regan, for up to seven minutes.

Hon. Geoff Regan: Thank you very much, Mr. Chairman. I'm happy to hand it over to you.

Welcome to the meeting, gentlemen. Thank you very much for coming today.

Can you tell me, since the creation of the MPMO how many major projects have begun construction?

Mr. Jim Clarke: I can indicate that there have been 17 projects that have been completed or reviewed under the MPMO initiative. They're all well under the two-year timeline.

In terms of actual completion of construction, I will have to get back to you on that. It's a subset of that.

Hon. Geoff Regan: I was asking about commencement of construction but it's somewhere in that range.

Mr. Jim Clarke: Yes.

It's a subset of the 17. It's probably half or more.

Hon. Geoff Regan: Can you give us a list?

I mean not today, obviously.

Mr. Jim Clarke: I can provide you with a list.

Hon. Geoff Regan: Thank you very much.

Do you have a definition in your organization of what constitutes a consultation?

Mr. Terence Hubbard: There are two elements to that question.

There's our public consultation process, and then there's our legal duty to consult, which is defined in the Constitution Act. Our legal duty to consult is related primarily to Canada's first nations.

In terms of what constitutes a duty, or when we need to consult, or the adequacy of—

Hon. Geoff Regan: No, what constitutes a consultation?

Mr. Terence Hubbard: It's a pretty difficult question to precisely define.

We've developed through the major projects management office what we call a whole-of-government approach to carrying out our aboriginal consultations. That approach is defined in these project agreements that Jim has identified. That is where the federal government relies, to the extent possible, on the regulatory and environmental assessment processes established for these projects.

We have an early engagement process where prior to entering the environmental assessment process we notify potentially affected aboriginal communities of the proposed development. We also identify opportunities of how they can participate in these environmental assessment regulatory processes. We use the robust public hearing processes that we have before us to manage, to the extent possible, our consultation obligations, given that these processes provide the best mechanism we have in terms of mitigating any potential impacts on aboriginal communities.

Hon. Geoff Regan: Sorry, a moment ago you said you have two different streams, the public consultations and the aboriginal consultations. Is that right?

Mr. Terence Hubbard: That's right.

Hon. Geoff Regan: Are you saying that the public consultations fulfill some of the responsibilities in terms of the aboriginal consultations? Is that what you said?

Mr. Terence Hubbard: That is correct.

We do use those public consultation processes, those public hearing processes, that we have well established. That is either through review panel processes or other public consultation processes that we've set up for environmental assessment. We use those processes to ensure that any impacts on first nations communities are well understood by the regulatory bodies making their decisions. We can use those processes and the terms and conditions that are implemented at the end of those processes to mitigate any potential impacts on first nations communities arising from these projects.

• (1600)

Hon. Geoff Regan: Where is the threshold? It relates to my question about what constitutes a consultation. You haven't avoided answering it. It's complicated, and I think you're saying it's a process.

I'm trying to get at what a consultation is and what doesn't qualify. Where is that threshold? What is the difference?

Mr. Terence Hubbard: We have a specific obligation to consult when we're making regulatory and environmental decisions that could potentially impact aboriginal rights or title. We have an obligation to carry out a specific consultation process in those circumstances. Where we're not making a specific decision, we do also engage aboriginal communities on those broader policy discussions and issues.

It's similar to the work that Doug Eyford is currently doing with first nations communities to solicit input and feedback. There's not necessarily a duty to consult in those circumstances. There's a difference between our legal obligations versus the engagement and

input that we seek from aboriginal communities through other processes.

Hon. Geoff Regan: How many major projects are currently before MPMO, and what would their total value be?

Mr. Jim Clarke: There are 75 projects worth \$228 billion.

Hon. Geoff Regan: Can you talk a bit more about the key recommendations that came out of the most recent evaluation of the MPMO initiative?

Also, there's a question of the radically reduced federal role in environmental assessment after the omnibus budget bill and whether there's much of a need for the MPMO today.

What are your comments on that?

Mr. Terence Hubbard: Fundamental changes were made through the recent legislative changes that were introduced as part of Bill C-38, as part of the government's plan for responsible resource development.

That said, there are still a number of important issues that these projects bring forward that require a concerted whole-of-government approach to address. Many of the projects we are looking at and dealing with are multi-billion dollar projects that have important socio-economic and environmental impacts. These are complex issues and they require a whole-of-government approach to examining and exploring these issues. That's the role the major projects management office brings to these issues, to these projects, in pulling together the federal regulatory departments and agencies to have these conversations and develop a broader perspective on these issues.

Hon. Geoff Regan: How does the role of CEAA now compare to your role?

Mr. Terence Hubbard: Through these legislative changes, the Canadian Environmental Assessment Agency has developed a much more enhanced role than it ever had before.

Prior to 2010 and the first set of legislative changes that consolidated responsibility for comprehensive studies, which are the bigger environmental assessments that we carry out, and now through Bill C-38 and the new Canadian Environmental Assessment Act that's in place, we have consolidated responsibility from as many as 40 different federal departments and agencies that could have had environmental assessment responsibilities to three departments and agencies that are now responsible for these projects going forward.

CEAA being one of those agencies, the National Energy Board and the Nuclear Safety Commission being the other two, now plays a much more enhanced role than it ever did before. Prior to these changes that we put in place in 2010 and now through 2012, the Canadian Environmental Assessment Agency didn't have responsibility for carrying out any environmental assessments. Those responsibilities rested with different regulatory departments and agencies. Now we have an expert agency developing consolidated expertise to move forward on these reviews. Again, its role is limited to the environmental assessment process whereas the major projects management office is looking holistically at the system, whereby we have the environmental assessment process, the regulatory permitting processes at the back end of that process, such as the Fisheries Act and the Navigable Waters Protection Act, as well as all the related aboriginal consultation responsibilities. We pull that together to take a government-wide approach and perspective on these issues.

• (1605)

The Chair: Thank you, Mr. Regan.

We will go now to the five-minute round, and we'll start on the government side with Mr. Trost and Parliamentary Secretary Block. Then we will go to Ms. Moore from the official opposition.

Go ahead, please, Mr. Trost, for up to five minutes.

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Thank you.

One of the reasons you were put together was to improve timelines and increase efficiency. Every project is unique in its characteristics, so how do you measure your success? What sort of benchmarks are you using to say that a project which didn't exist in the past but you are working on now is being more efficiently delivered?

Can you explain to me the benchmarks you've been using to understand and decide if the process has been successful, if your organization is delivering on what is promised?

Mr. Jim Clarke: I'll start that off and maybe pass it to Terence afterwards.

The original analysis leading up to the creation of the major projects management office and the initiative analyzed a number of major resource projects that had taken place to date and concluded that the average time for the regulatory review was up to four years. That included the environmental assessment and the regulatory permitting. One of the overall objectives of the initiative was to cut that time in half while in no way compromising environmental protection measures and effectiveness of the review.

If you average the amount of federal time taken on the 17 reviews we have completed, we have met the target of two years or less.

Another element in terms of success though is not just efficiency; it is effectiveness, and we have some information on that now. We are embarking on that in a more concerted effort now to get effectiveness performance measures nailed down so we can be able to comment on how effective the review processes have been in this next round of evaluation of the initiative and potential renewal.

Mr. Brad Trost: You can measure time, but you don't quite have the metrics yet to measure effectiveness?

Mr. Jim Clarke: We have information, but we don't have as systematic a process as we would like to measure effectiveness. This is what we're in the process of doing now.

The funding for the initiative expires at the end of March, and there will be an evaluation and a decision on whether or not it should be renewed. Going into that evaluation, we're driving towards having information on effectiveness of review processes as well.

Mr. Brad Trost: In your remarks, you noted—and in Canada I think this is obvious to everyone—that coordination between levels of government is important. You mentioned in your remarks coordination with the provinces.

Could you expand on that and also explain how this has been going, whether you've been meeting your objectives there, and if not, what needs to be done?

Mr. Terence Hubbard: Thank you for the question.

One of the key objectives through the MPMO Initiative was to ensure one project, one review. The federal government is only one of the decision-makers with respect to these projects. The provinces, as you're aware, own and manage the resources within their boundaries and have primary responsibility for many of the projects we deal with.

One of the shared objectives of the federal and provincial governments was to move towards this objective of one project, one review. Over the years, we've made a lot of progress towards it. There's a memorandum of understanding in place between the federal and provincial governments to ensure alignment of environmental assessments. More recently, through the legislative changes that were introduced as part of the responsible resource development plan, there are new tools in place now to ensure that we can better move towards this objective of one project, one review; tools such as substitution and equivalency whereby, if provincial governments can meet all of the requirements under federal legislation, they can through their process satisfy federal requirements, so that we move away from duplicative review processes.

Mr. Brad Trost: I can see why the provinces would be motivated to do that for costs and efficiencies. Has there been fairly good uptake by the provinces, and has it been uniform or has it been variable across the country?

Mr. Jim Clarke: I'll start with that.

In terms of substitution, there's been a big uptake from British Columbia. They've been the first province out of the gate to have discussions with the Canadian Environmental Assessment Agency. They have landed on agreements for substitution on five projects so far. I could provide a list of those projects for you, if you're interested.

I know there are other provinces that are interested, but they haven't reached the point British Columbia has in having formal agreements in place for substituted processes.

• (1610)

Mr. Brad Trost: My time is up, Mr. Chair.

The Chair: Yes, your time is up, Mr. Trost.

We go now to Ms. Block, for up to five minutes.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you, Mr. Chair.

I too would like to join my colleagues in welcoming the witnesses today. It's been a very informative presentation. I am pleased to hear about the impact the MPMO has had since its creation.

You said in your presentation that addressing a system-wide challenge requires a system-wide response. You highlighted some of the challenges needing to be addressed. I could ask what would the cost to the economy have been had we not moved to this coordinating body looking at the projects through the lenses that the MPMO is looking through, but what I will ask is whether you can comment on how greater regulatory efficiency creates investment opportunities for Canada.

Mr. Terence Hubbard: Thank you.

Again, both the comments and the question are very interesting and involve difficult questions to wrestle with.

In terms of the importance of regulatory certainty, Canada is just one country blessed with resource opportunities. There are a number of other regions and other countries throughout the world that are looking at opportunities to move forward and develop their resources to take advantage of the growing markets for these commodities.

As Jim highlighted, we have hundreds of billions of dollars of potential new investment over the next decade. For Canada to capitalize on these opportunities and realize this development potential, we need to provide investors the opportunity and clarity, that if they're going to invest in Canada and develop these very complicated projects, they will have some sort of certainty about when they'll have a decision as to whether or not they can move forward with the investment decisions.

If we can't provide that certainty to them, they'll look at competitors in other countries that may not have the same level of rigour in their assessment processes as us. We're not looking to cut corners, but we're looking to ensure that we can make efficient and effective decisions within a defined timeframe so that investors have that certainty and so that we can attract the capital to make these opportunities happen.

Mrs. Kelly Block: Thank you.

I also want to ask about your slide 9 concerning policy leadership. You highlighted a systemic change across government. The first bullet speaks to providing horizontal leadership.

Could you comment on the relationship—you may have touched on this already—among other departments that you work with and say whether some of the work you're doing could or could not be plugged into what might become a best practice when considering the work that MPMO does?

Mr. Terence Hubbard: In the creation of the major projects management office, there was a realization that there was a gap. Departments of course have responsibility for their own individual mandates and for moving them forward, but these projects bring together cross-cutting horizontal issues that don't necessarily lie neatly within an individual department and mandate. Given that, it was often very difficult to identify which would be the lead department responsible for going forward and addressing an issue.

There was a lot of finger pointing and a lot of time wasted in delays that really impacted this multi-billion dollar investment potential.

With the major projects management office, now we have a clear focal point, an organization not with a legislative mandate but with a mandate to work in partnership with these regulatory departments and agencies to address these cross-cutting issues. We have a horizontal governance mechanism in place now to ensure that we get timely decisions on these horizontal issues that don't necessarily fit nicely within an individual departmental mandate.

Other initiatives across the federal government have looked to the work the MPMO has done and are exploring opportunities to take this approach to address other horizontal policy issues. For example, in the north we have a new office called the northern projects management office, which is taking a similar approach to northern projects.

Other levels of government have also taken a look at what the MPMO is doing. Alberta is taking a similar type of approach. Ontario is investigating whether or not this type of approach could work within their provincial context.

We have also met with a number of international jurisdictions that have been looking at the MPMO and whether the approach we're taking, this horizontal cross-cutting approach to addressing those systemic issues, can be applied in their jurisdictions. Countries such as the United States and Australia, some of our competitors when it comes to developing our resources, are taking notice of what we've done and of the success we've had and are looking to replicate it.

• (1615)

The Chair: Thank you, Ms. Block.

We'll go now to Ms. Moore, followed by Mr. Zimmer, Monsieur Gravelle, and Mr. Leef.

Go ahead, please, Ms. Moore.

[*Translation*]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Thank you very much.

I would like to begin by mentioning that the committee will undertake a study on the mining of rare earths. Could you please send us a list of your current projects that involve rare earths, along with their status?

I would also like to go back to Mr. Trost's questions about the objective of coordinating with the provinces in order to ensure only one review per project. I would like to know whether your office has a designated individual for dealing with each province. By that I mean a different person for each province, since the laws are different. Is all that managed by a single person instead?

Since your creation in 2006, have you recruited to your team people with specific experience in interprovincial cooperation in order to establish common review processes?

My second question is somewhat similar, but it has to do with the consultation of aboriginals. Have you recruited any individuals who have expertise specifically in that area and can contribute greatly? Have you been targeting people with such expertise?

Mr. Jim Clarke: Thank you very much for your question. It has several parts, but I will try to answer it.

[English]

I was very fortunate to be at the MPMO from the very beginning, so instead of inheriting a group of staff, I got to staff from the beginning. My team is very small.

[Translation]

I think it has only eight officers and two directors.

[English]

In terms of how I break that down across the country, I have a western director and an eastern director. I have officers who have experience in certain sectors in terms of natural resource projects. I have officers who focus on a certain region as well.

In the province of Quebec, for example, I have two officers who are generally managing projects in that province. In terms of skill sets, a key skill set in my officers is collaboration. Just by the nature of who we are and what we do, my officers have to work collaboratively across the federal government and with other jurisdictions.

Some of my officers are experts in aboriginal consultation; others are experts in other fields. I feel very fortunate that I got to staff what I always call the A-team in terms of skill sets and abilities to really pull together horizontally the departmental officials and to work very collaboratively with other jurisdictions.

[Translation]

Ms. Christine Moore: When it comes to aboriginal communities, are people from those communities integrated directly into your team in one way or another?

[English]

Mr. Jim Clarke: No, not specifically on my team. I believe we do have people like that in our office, but not specifically on my team.

That being said, on the role of the MPMO per se, we don't have a direct role in actually going out and conducting aboriginal consultations. We have a role to work system-wide to ensure there's a whole-of-government approach to aboriginal consultations.

We work with our federal government colleagues in terms of ensuring that approaches are appropriate. For example, when there's an environmental assessment led by the Canadian Environmental Assessment Agency, it will be the Canadian Environmental Assessment Agency that will be the crown consultation coordinator and will be leading consultations on behalf of the Government of Canada. We'll make sure that all the appropriate federal departments are working with the Environmental Assessment Agency in the consultations they're leading.

• (1620)

[Translation]

Ms. Christine Moore: However, no representatives of aboriginal communities are working directly with you to ensure that your supervision, consultation, coordination and approach methods are in line with the ideal way they would like to work or the method they are interested in.

[English]

Mr. Jim Clarke: We work collaboratively with representatives from first nations on a number of our policy approaches. Perhaps Mr. Hubbard could comment on those as well.

Mr. Terence Hubbard: Thank you.

One of the key commitments we've outlined in terms of the plan for responsible resource development is moving forward with an enhanced approach to aboriginal consultations. One of the commitments there was to develop and move forward with the development of protocols with aboriginal communities that would outline the communities' expectations in the process for moving forward with consultations within those individual communities.

Our colleagues at Aboriginal Affairs, whom we worked very closely with on this initiative, are working directly with first nations communities to identify an interest in pursuing and moving forward with those agreements. At this point in time, they do have an agreement with the Mi'kmaq in Nova Scotia and are moving forward and pursuing discussions with other interested first nations communities to develop such understandings and approaches.

The Chair: Thank you, Ms. Moore.

We'll go now to Mr. Zimmer, for up to five minutes.

Mr. Bob Zimmer (Prince George—Peace River, CPC): I want to thank the witnesses for appearing today.

What you've spoken about since the directive was given to you about the MPMO is something we support. We want a streamlined process for developing our resources. I'm from northeastern B.C., and natural gas and oil is what we do. Forestry is also a big part of what we do.

There are some concerns. I'd like to hear a comment from you about the recent comments made about the Prosperity mine and its resubmission of an environmental plan, and the rejection of that. I would like your comments on that, please, if you could.

Mr. Jim Clarke: Yes. You're referring to the New Prosperity gold-copper mine in B.C. This is a project that has recently concluded a panel review. The panel has recently issued its independent report concluding that there are significant adverse environmental effects.

Now it's up to the Government of Canada to make a decision as to whether or not those effects are justified in the circumstances. A decision has not yet been made on that project, but the panel has issued its report.

Mr. Bob Zimmer: Sure.

Mr. Jim Clarke: What you've probably seen in the media recently are challenges by the proponent on some of the panel's conclusions that stem from some of the science emanating from departments like Natural Resources Canada. All I can say on the matter is that's the view of the proponent, and there is analysis going on as we speak in terms of the comments made by the proponent, but it's clearly at this point a proponent view only.

Mr. Bob Zimmer: Okay. I'm just going to read out what the proponent is suggesting, and what their comment is. This is from their website:

The Panel relied heavily on modeling undertaken by NRCan which indicated that there would be significant seepage from the tailings storage facility into Fish Lake. The Panel's findings regarding anticipated seepage, and the related impacts on Fish Lake, are integral to the Panel's conclusion that the project was likely to cause significant adverse effects on fish and fish habitat, wetlands and aboriginal interest in the Fish Lake area.

There are just a few more sentences:

The design proposed by Taseko for the tailings storage facility includes development of a continuous low permeability compact soil liner to restrict seepage losses. This is a common and acceptable practice for modern facilities that have been recently permitted and developed in British Columbia and elsewhere in the world. The NRCan design, which was the basis of their analysis, is completely different than the Taseko design, as NRCan has assumed that the low permeability basin liner is not included and that seepage will therefore readily leak into more previous overburden and fractured bedrock.

From your perspective, it seems there was flawed data used in the analysis. Can you speak to that?

Mr. Jim Clarke: From the proponent's perspective at present there was flawed data. That's the information the proponent has submitted.

The issue right now is that the panel process is essentially completed. There were public hearings, and there was ample opportunity for all participants to put their information on the record and to question each other. The panel completed the hearings, wrote its report, and then submitted its report.

This recent information from the proponent is after the hearings were completed and the panel's report was issued. Now it's actually a matter for the Minister of the Environment to determine what the next step is, if there's any next step, with respect to this information, given that it was submitted after the hearings had concluded and after the panel issued its report. It's inappropriate for me to comment on the merits of the proponent's comments post-hearings.

•(1625)

Mr. Bob Zimmer: Okay, thank you.

There's just one more issue. You already know my riding is Prince George—Peace River, so the northern gateway project is a big concern for a lot of the proponents and others. People are waiting for a decision. What is the timeline? We know that's what the MPMO does; it keeps us informed of when the decision is forthcoming. Can you brief us on a timeline of when that is coming?

Mr. Jim Clarke: Yes. The panel report is due by the end of December, and there's a six-month period for the government to issue its response. A decision will come by June of next year.

Mr. Bob Zimmer: Okay, thank you.

The Chair: Thank you, Mr. Zimmer.

We go now to Mr. Gravelle. You have up to five minutes.

Mr. Claude Gravelle (Nickel Belt, NDP): Thank you, Mr. Chair.

I have a couple of questions on slide number 5.

Prior to the MPMO initiative, who was responsible for what the MPMO is doing?

Mr. Terence Hubbard: The MPMO was created to fill a gap within the system, so the MPMO has not taken on responsibilities that other departments and agencies had prior to that. It was

essentially created to fill a gap where there was no department or agency that had these responsibilities.

Mr. Claude Gravelle: Who's responsibility would it have been to fill in the gaps before you came along?

Mr. Terence Hubbard: Prior to the creation of the MPMO, there would have been federal regulatory departments and agencies that would have had responsibilities for these projects, left to sort out among themselves and try to figure out among themselves who should be leading to address these issues.

Mr. Claude Gravelle: The second bullet in slide 5 says, "Inconsistent Aboriginal consultation", and the fifth bullet says, "Insufficient follow-up and enforcement". That would have been the previous government's doing.

Mr. Terence Hubbard: Again, these are difficult issues, and these issues have evolved very much over time.

In terms of our approach to aboriginal consultations, it's a fairly new responsibility in terms of the duty to consult. That duty to consult has been defined more clearly over the years as a result of court decisions. Over the last few years we've been getting a clearer and clearer perspective on what exactly our obligations are. This has allowed us to get in front of these issues in trying to develop a more consistent approach to managing these responsibilities.

Mr. Claude Gravelle: Thank you.

Mr. Terence Hubbard: In terms of follow-up and enforcement, we identified a gap in the legislative framework in terms of not having the tools or approaches that regulators needed to be able to ensure enforcement of these responsibilities.

Mr. Claude Gravelle: All right. Thank you.

On slide 7 there's a nice little map with a lot of little dots on it. Could you supply us with a map that indicates where the dots are, or what project it is? Would that be possible?

Mr. Jim Clarke: Yes.

Mr. Claude Gravelle: On slide 12, "Enhanced Aboriginal Consultant and Engagement", the fourth bullet says, "Authority to develop MOUs", memorandums of understanding, "and Protocols to bring clarity and consistency to the Aboriginal consultation process". The way this is worded, "authority to develop", tells me you're going to develop a memorandum of understanding regardless of how the first nations feel.

Mr. Terence Hubbard: No, the authority is specifically to have a mandate to enter into discussions with first nations communities that desire to develop such agreements.

Mr. Claude Gravelle: All right, thank you.

I only have a couple of minutes left, so I have a couple of quick questions.

Who appointed the Prosperity mine panel?

Mr. Jim Clarke: That was the Ministry of the Environment.

Mr. Claude Gravelle: It was federal.

You talked about the proponent saying the report was flawed. Who's the proponent? Was that the owner?

Mr. Jim Clarke: It's Taseko Mines, the company that's proposing to build the project.

Mr. Claude Gravelle: All right.

The government appointed the panel. The panel said there are a lot of problems, but the owner doesn't agree. Is that correct?

• (1630)

Mr. Jim Clarke: Yes.

Mr. Claude Gravelle: Thank you.

Ms. Crockett said the Mackenzie pipeline was an 18- to 21-year project. Correct me if I'm wrong, but wasn't that project held up for many years by the company itself?

Mr. Terence Hubbard: As we indicated previously, I think the exact timelines for that project are debatable. The project itself predated the major projects management office initiatives, so it's not something where we had concrete statistics. There was a separate office established prior to the MPMO specifically to manage the responsibilities for this project.

Mr. Claude Gravelle: All right.

I've only got 30 seconds left.

The Ring of Fire is part of this major project.

Mr. Jim Clarke: Yes, there are two mining projects in Ontario in the Ring of Fire region that are MPMO projects.

Mr. Claude Gravelle: What does this mean in terms of resource assistance from your office?

Mr. Jim Clarke: It means that for those two projects, which is a Cliffs chromite mine and the Eagle's Nest mine, we will develop a project agreement and make sure that there are target timelines, the environmental assessment regulatory permit phases, and we will monitor and track. If there are issues, we will use our monthly deputy minister's committee meeting to resolve them.

Mr. Claude Gravelle: How would the 12 first nations in the Ring of Fire benefit from the MPMO?

Mr. Jim Clarke: It means that for those two projects there will be a coordinated whole-of-government approach to aboriginal consultation. Instead of potentially having multiple federal departments going out and consulting them on the same project, there will be a coordinated approach which leads to more meaningful consultation.

Mr. Claude Gravelle: Thank you, Chair.

The Chair: We go now to Mr. Leef, followed by Mr. Bevington and then Mr. Allen.

Go ahead please, Mr. Leef, for up to five minutes.

Mr. Ryan Leef (Yukon, CPC): Thank you, Mr. Chair.

Gentlemen, thank you for your information so far.

I didn't see it in the package and I'm not sure if you had mentioned it earlier, but what's the threshold to determine a project that would actually enter the MPMO? Is there a dollar value or is there a size value?

Mr. Terence Hubbard: The way we had developed before wasn't based on a dollar value but it was based on the type of environmental study that was required for that project. If it required that it be

subject to a review panel assessment, or comprehensive study level assessment, or it required an assessment by multiple levels of government, then it would be subject to the major projects management office initiative.

Going forward now in terms of projects that we're involved in, there's a lot more clarity. It's essentially defined in the project list regulations under the Canadian Environmental Assessment Act. Those major projects that are identified under that regulation are managed through the major projects management office initiative. That regulation essentially identifies types of projects, for example, a metal mine of a certain capacity or a hydro facility of a certain capacity that require a federal assessment.

Mr. Ryan Leef: Most are resource based.

Mr. Terence Hubbard: I would say 90%, yes, are resource based.

Mr. Ryan Leef: There's an entire regulatory system that looks at a ton of projects. If the focus is on resource-based projects, how would that alleviate pressure on the entire regulatory system as a whole?

Mr. Terence Hubbard: Certainly, and it's one thing we didn't talk about too much in this presentation, but the major projects management office is an initiative, it's not just about the office itself.

As part of the initiative, there was an investment in enhancing the scientific and technical capacity of the key regulatory departments and agencies involved in the initiative. Departments like Environment Canada, the Canadian Environmental Assessment Agency, Fisheries and Oceans, and Aboriginal Affairs received capacity funding, essentially additional resources to supplement their resource base, to manage these projects in a timely and expeditious manner and to make sure they were done as effectively as possible.

Investment in these departments' and agencies' resource development related projects certainly increases their capacity on all projects.

Mr. Ryan Leef: Okay.

We hear talk about where the focus is going to lie with a one project, one timeframe review. If I hear you correctly, you're saying that because of the model and the enhancement with science and regulatory reviews, inspections, and presumably enforcement and capacity development as well, will allow greater focus where the focus is required.

• (1635)

Mr. Terence Hubbard: That is correct. That's a fundamental premise under the plan for responsible resource development, in terms of focusing departmental resources on projects of higher risk, really focusing our resources on higher-risk activities.

As well, those projects which in the past hadn't demonstrated a potential for significant environmental effects, we're going to manage through other mechanisms and processes. We are going to focus our resources going forward on the large projects, allocating that investment throughout the life cycle of these projects. We're not so much focused only on the review process, but now we have new compliance and enforcement mechanisms in the back end of the process to ensure that any of those terms and conditions and measures identified through the environmental assessment can be tracked, monitored, enforced and followed up. We have the tools, including new fines, to ensure that those mitigation measures are enforced.

Mr. Ryan Leef: Perfect.

I think it was detailed. It's easy to understand that when there is a streamlined process under way and projects are either able to move forward or stopped, you can see the direct financial benefit from an economic point in terms of what the industry does or GDP development.

When you centralize these things, and you're making decisions with the enhanced capacity you talked about and somebody is overseeing this and a mandate is understood, there must be a realization of substantial savings to government by doing this as well.

Do we have some sort of percentage value of that? Perhaps you could make a general comment on the realization of savings for government when we streamline these things and make them more effective.

Mr. Terence Hubbard: Certainly, where we're looking at opportunities to provide a more efficient and effective process and eliminating duplication and carrying out multiple regulatory review processes and multiple stages of public hearings, there are savings to be made, but we've never characterized or sold what we've done as an efficiency or a cost-savings exercise.

It has been really important for us to ensure that those savings are reinvested, that the effectiveness storyline is there, that we're reinvesting what we save at the front end into the back end of the process, that there is compliance, effective enforcement, and follow-up of—

Mr. Ryan Leef: —enhanced capacity, scientific research, technical reports, enhanced inspection, and regulatory review and enforcement.

Mr. Terence Hubbard: That's right, and to do things better in the long run.

As Jim indicated previously, it's hard to have concrete metrics in how effective those follow-up measures have been. We're talking about projects with decade-long life cycles. To fully measure the outcomes of those processes, to have those concrete stats will take us decades. We are taking concrete steps to ensure that we have the mechanisms and processes in place for more effective enforcement and follow up, mechanisms that just weren't in place in the past.

The Chair: Thank you, Mr. Leef.

Mr. Bevington, go ahead.

Mr. Dennis Bevington (Western Arctic, NDP): Thanks, Mr. Chair.

Thank you to the witnesses.

Further to the projects list, you've identified \$650 billion in projects over the next 10 years. I know that it was presented at the mines ministers conference last year, but it was broken out only by provinces and territories, not by actual projects.

Could you provide that precise list to the committee?

Mr. Jim Clarke: Yes.

Mr. Dennis Bevington: Good. Thanks.

Your responsibility is primarily with industry, would you say?

Mr. Jim Clarke: With engagement, it's on natural resource projects, and our engagement is across the federal system and with other jurisdictions.

Mr. Dennis Bevington: I'm looking at your lobbying record for the last year. We were lobbied 18 times solely by industry, solely by the energy companies. Is that correct?

Mr. Jim Clarke: That's accurate.

Mr. Dennis Bevington: When it comes to engaging the stakeholders, you only engage the energy and industry stakeholders. Is that correct?

Mr. Terence Hubbard: MPMO is a focal point, kind of a single window for all stakeholder communities. Obviously, project proponents who are directly impacted in working through these regulatory systems have—

• (1640)

Mr. Dennis Bevington: How many first nations have you met with?

Mr. Terence Hubbard: Through the MPMO?

Mr. Dennis Bevington: What about the AFN? You met with CAP a number of times. Have you—

Mr. Terence Hubbard: We meet regularly with first nations communities and other stakeholders as well.

Mr. Dennis Bevington: Have you met with AFN?

Mr. Terence Hubbard: Yes, I met with AFN last week, actually. We meet on an ongoing basis. We are a small office in respect of our engagement activities, and we recognize we could do a lot more.

Mr. Dennis Bevington: Okay.

Moving on, the deputy minister committee seems to be one of the key elements in greasing the wheels of this system you're proposing. You have a deputy minister committee meeting solving policy issues among departments that have statutory responsibility for different aspects of environmental protection. Is that correct?

Mr. Terence Hubbard: We have a major projects deputy minister committee that has been established to provide advice and guidance on these issues. It is a whole of government initiative, so having senior leaders—

Mr. Dennis Bevington: You're taking the statutory responsibility out of the hands—

The Chair: Mr. Bevington, would you please give the witness a little bit of time to respond. If you want to ask—

Mr. Dennis Bevington: Mr. Chair, we don't have much time so we have to get through our questions.

The Chair: If you want to ask for follow-up, you're welcome to do that after. There may be a bit of time.

Mr. Terence Hubbard: The major projects office does not have a legislative mandate. Nothing in the initiative fetters the statutory obligations of any individual department. Most of the conversations we have through this deputy minister committee and other governance structures focus on cross-cutting issues that don't rest within any individual department's mandate or responsibility.

Mr. Dennis Bevington: I'm curious about environment. We have to stand up for the environment here a little bit. I think that's appropriate. You have set time limits on environmental assessment.

Do you consider baseline information gathering part of time limits? Would you assume that if a company is going into a pristine area of wilderness there should be some extensive baseline information development and assessment before projects would fit into the timeframe you're talking about?

Mr. Terence Hubbard: It's important to understand that the legislative or regulatory timelines that have been put in place are only on federal activities. They don't apply to activities carried out by other levels of government with respect to project proponents.

Mr. Dennis Bevington: So anything on water is a federal responsibility and anything interjurisdictional is a federal responsibility.

Mr. Terence Hubbard: To clarify again, the timelines are based on having complete information from a project proponent. If a proponent is required to do studies to identify the environmental impacts of its project, the time that's required for the proponent to carry out those activities isn't within the timeframe.

Mr. Dennis Bevington: What about the assessment of the information gathered by the proponent? Is that within the environmental assessment project?

Mr. Terence Hubbard: That's right. One of the—

Mr. Dennis Bevington: If it's not adequate, do you extend the timeframe?

Mr. Terence Hubbard: There is a provision to stop the clock, if you will, while we await additional details from the proponent. That isn't within a timeframe.

One of the factors, in addition to the timelines we have introduced, is clarity of information requirements. Within regulation, legislation, and guidance documents, we now have a lot greater precision in determining what's required from project proponents when they submit an application. When they get into the process, they have greater clarity of what it's going to take and how long it's going to take to get through the process so that there are no surprises for them either.

The Chair: Thank you, Mr. Bevington.

We have remaining on our list Mr. Allen and Mr. Trost.

Go ahead, Mr. Allen.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you very much, Mr. Chair, and my thanks to all of the witnesses for being here.

I want to follow up on Mr. Bevington's question. There is a proponent in New Brunswick who has submitted a proposal for a tungsten and molybdenum mine in the Sisson Brook area. They did years of baseline data before they even submitted an EIA. That was submitted with a comment from the public to come back by October 13. The company was clear with me that the timeline stopped when the questions came back. Can you clarify that this is the case?

• (1645)

Mr. Terence Hubbard: That is kind of our standard practice. Any time additional information is required from a project proponent, that timeline clock will stop until that information is reviewed and a decision is made that it's adequate for the review to continue.

Mr. Mike Allen: So basically a company can't stall out the clock for 18 months and play that game.

Mr. Terence Hubbard: That's right.

Mr. Mike Allen: You indicated some of the equivalencies and B.C. being a leader in the equivalency side. I do know in New Brunswick it's a little different. I think there is going to be a little bit of a timeline lag or difference in the process in New Brunswick. How are you making out with some of the other provinces in terms of getting to these equivalencies?

When you actually approve the project, are the permits, which can sometimes take a long time, and you indicated four years, not just approval but a permit, are you handling the permits as part of this process as well? Do the permits end up being a sequential process or a parallel process?

Mr. Terence Hubbard: I can start and Jim may have some additional details to add.

First off, in terms of the arrangements and agreements with the provinces, we have a number of mechanisms and we've been working very closely with the provinces. Jim has been very engaged in a federal-provincial working group that has been working together to identify opportunities to better align and make use of some of these new tools as we go forward.

B.C. was obviously the first out of the gate and was pushing pretty hard to have these provisions in place. It was fairly well prepared to take advantage of the new tools when they were in place. Conversations are also ongoing with Saskatchewan at this point in time.

In some of the other jurisdictions, particularly in Atlantic Canada, some of the conversations that we've had to date have indicated that they'll kind of wait and see in terms of the success of some of the other approaches in other jurisdictions. As well, there's a strong interest in relying on federal expertise and capacity that we have in place for some of these review processes, recognizing that not all jurisdictions have the same resource base and the same level of capacity to deal with some of these major development decisions. There's a commitment to working together. There are different mechanisms and different ways we do it, substitution equivalency being one way. Other ways are kind of aligned joint reviews where we work hand in hand.

In terms of your question with respect to permitting processes, that's one of the big value adds of the MPMO initiative as well. We're taking that whole review life-cycle perspective, so it's not only the environmental assessment, but those back-end permitting processes. At the beginning of every project review we take a look at what federal responsibilities would be for the project. We identify milestones and who is responsible, and set timelines for completing those activities as well.

Mr. Mike Allen: Your DM oversight committee would be responsible for confirming—

Mr. Terence Hubbard: Would manage any issues; that's right.

Mr. Mike Allen: You're six years into this. It sounds to me that we had a dog's breakfast before, with all the overlaps and potential gaps that could have actually resulted. Now your funding goes until 2015, I think you mentioned, the next bucket of funding.

Realistically, the horse is out of the barn, is it even a possibility to go back? It would seem to me that if you build this capacity you would be fragmenting again and it would be really easy to fall back to what was happening before.

Mr. Terence Hubbard: It's a difficult question at this point. Obviously, there will be policy discussions with respect to the evolving role of this office and how we work with federal partners and agencies going forward. We were designed and put in place for a specific purpose. Ideally, at some point in the future we'll have achieved our mandate and everything will have been accomplished and the system will be operating and knitted together and working as it should without needing some central oversight authority in place.

I'm not sure we're at that point yet, but we're continuing to work and look at opportunities for that continuous improvement. Maybe one day we will be there, I'm not sure.

The Chair: Thank you, Mr. Allen.

We now have Mr. Trost, followed by Ms. Moore, and Mr. Regan.

Go ahead please, Mr. Trost, for up to five minutes.

Mr. Brad Trost: Thank you, Mr. Chair.

I want to follow up on where Mr. Allen was going, tying into some of my earlier questions.

As you noted, B.C. has been eager, and Saskatchewan seems to be number two, but I'm not quite understanding the reticence of some of the other provinces. You were fairly diplomatic in how you were wording it, and I'm sure you will be in your answer, too.

What seems to be some of the degree of reluctance? From my perspective, more efficiency means less cost. A lot of the provinces have financial issues, so saving money and increasing investment seems to me to be a bit of a no-brainer. What tends to be their hesitancy? Are there things that we can do at the federal level to increase their desire to engage with your office?

•(1650)

Mr. Terence Hubbard: I don't know if I would describe it as reticence on the part of the provinces, because it was a strong voice right across jurisdictions through a number of different fora. The provinces were really looking toward these new tools and these new approaches and to having these mechanisms in place.

A lot of the driver right now in terms of B.C. wanting to be first out of the gate is that, if you look at the map, a lot of the projects right now are being proposed in B.C. Their being able to develop the expertise to make the most use out of these tools, I think is why they have the biggest push at this point in time.

I think all provinces will have an interest in moving towards that objective. We're looking at different ways and different tools and approaches to move in that direction.

Mr. Brad Trost: Is it not so much a question of reticence as it is capacity? I would think that after this many years of going forward, with their highly talented bureaucracies and scientists and so forth, they could be fairly rapid in moving this forward.

Am I just thinking that things move quicker than they should? What am I still missing here?

Mr. Terence Hubbard: It's not simply a process of saying the federal government is going to vacate and to leave the responsibility of the federal government to move forward and handle these activities. In terms of the new tools and approaches we've put in place, we've been quite clear that provinces need to demonstrate that they can meet federal requirements and carry out all of the requirements under our federal legislation going forward.

Provinces need to be able to integrate into their processes those activities. That doesn't mean the federal government will stop participating in those processes, either. In the case of B.C., the federal government still participates and shares its expertise with B. C. in carrying out those reviews. There's still a jointness in terms of participating in these reviews.

I think some provinces are looking to those experiences and treating the early experiences going on in B.C. as something they can learn from as we go forward. They can make sure they've got things right before they fully jump into it.

Mr. Brad Trost: When I did field geophysics back in a previous life, I remember talking with a senior geologist who was in charge of the project. This wasn't a project that would ever be big enough to get the interest of your office, but he was saying that he was spending over 50% of his valuable time—he was a geologist with 25 years of field experience—doing paperwork.

Are there principles here that can be applied throughout the entire government? Not every federal project, I think, falls under your office's jurisdiction. If it works well for major projects, why wouldn't this sort of principle work for all projects involved?

Do you have any comments on that?

Mr. Terence Hubbard: One of the big focuses of our office and our initiative in the plan for responsible resource development was to ensure that our resources could be allocated and really focused on those major projects. Where there were activities that weren't contributing, that didn't have that level of value, and where we weren't having a value add, we were looking to refocus and reallocate those resources to those bigger projects where there are potential impacts, where they can make a difference.

Looking beyond just the major projects and in terms of some of the other changes we've made, we're no longer looking at hockey rinks or outhouses in parks, that sort of thing. We're really focusing on the major projects. For the most part, those are resource projects in terms of the big projects that have impacts on areas of federal jurisdiction.

Mr. Brad Trost: To summarize what you're saying, you're no longer wasting federal government resources on projects that frankly didn't need to be studied in the first place. Hockey rinks generally don't have a major environmental impact, except maybe on the morale of the community involved.

Mr. Terence Hubbard: That is correct. That was a fundamental part of the reforms that were brought forward in terms of the analysis and focusing on major projects with the most potential for impacts on areas of federal jurisdiction.

There were two elements. It had to be a big impact and it had to be a big impact on something that the federal government could control.

The Chair: Thank you, Mr. Trost.

Ms. Moore, you have up to five minutes.

[Translation]

Ms. Christine Moore: Concerning the Aboriginal and Treaty Rights Information System, do you also take into account the claims that have not been signed—so the ones that come from communities, but have not been approved?

• (1655)

[English]

Mr. Jim Clarke: We might have to get back to you on that.

We don't believe ATRIS takes into account the claims that aren't formally approved, but we will get you information on that.

[Translation]

Ms. Christine Moore: Okay. You will send us the answer in writing.

In Budget 2012, an amount of \$13.5 million was earmarked for consultations with aboriginals. Could you explain in more detail how that money is used?

[English]

Mr. Terence Hubbard: There were two elements of that funding. The first element was increased capacity funding to first nations communities to participate in environmental assessments. The second piece was increased funding for the Canadian Environmental Assessment Agency to engage and consult with first nations communities, given its increased role and responsibilities for carrying out environmental assessments.

There were two elements. One was participant funding to support first nations participation, and the rest was to the Canadian Environmental Assessment Agency.

[Translation]

Ms. Christine Moore: Does this mean that aboriginal communities that cannot afford to participate in consultations could ask you for money to help them do so.

[English]

Mr. Terence Hubbard: That is correct. Through funding through budget 2012, to enhance the capacity of CEAA in the amount of funding available, that agency has to support participation of aboriginal groups in that process, as well as similar programs that were established in 2010 at the National Energy Board and the Nuclear Safety Commission.

There are specific programs in place for these three agencies to support direct participation of first nations in these review processes.

[Translation]

Ms. Christine Moore: What do municipalities or community groups need to do to meet with you regarding a specific project? Do you also have a duty to evaluate the social acceptability of a project within a community?

[English]

Mr. Terence Hubbard: On the first part of your question, the MPMO is a central focal point for all stakeholder groups. If there's a community group interested in contacting the federal government to obtain more information on a review process, it may do so. We identify for every project on the MPMO website the name of the lead officer responsible for that project along with their contact information. The MPMO then can and does coordinate among other federal departments. It may not have all the answers, but it will coordinate with the implicated federal departments and agencies to meet with those groups.

In terms of your second question and whether we have a mechanism that calculates the social value of these projects, it's another one of those tough things to come up with some concrete metrics to do that analysis. These projects, given their—

Ms. Christine Moore: It's more

[Translation]

about acceptability than about value;

[English]

if people agree or not.

Mr. Terence Hubbard: Social acceptability is becoming an increasingly important issue. We have a legal duty to consult aboriginal groups. We've made significant progress in moving forward on our legal responsibilities.

It doesn't necessarily mean we're going to develop the social acceptability aspects of these projects by meeting the letter of the law. It's becoming with aboriginal communities but also with other communities an increasingly important issue in trying to engage potentially impacted communities on these projects, to understand and share information on the benefits, to better understand the impacts, and to address community concerns with respect to these projects. The MPMO is working very closely with partners to help communicate and understand these issues.

• (1700)

The Chair: Thank you, Ms. Moore.

We go now to Mr. Regan, followed by Ms. Crockatt.

Hon. Geoff Regan: Thank you, Mr. Chairman.

First of all, could you tell me when the application was filed for the Mackenzie Valley pipeline project? Was it 2004? Was it 2001? Do you recall?

Ms. Joan Crockatt: It was 1979.

Mr. Claude Gravelle: It was 2004.

Mr. Terence Hubbard: I don't have the specific date in front of me.

I'd have to get back to you on when the last applications—

Mr. Claude Gravelle: It was 2004.

Hon. Geoff Regan: Mr. Gravelle is saying 2004, but at any rate, I'll move on.

Mr. Terence Hubbard: It predated the creation of the MPMO office. It wasn't one that we specifically launched.

Hon. Geoff Regan: Okay.

Let's talk about the negotiations that you've had with the Mi'kmaq First Nation in Nova Scotia. On what major projects are you in negotiations with them? What projects have led to those negotiations?

Mr. Terence Hubbard: Those MOUs and protocols that we develop with aboriginal groups aren't project specific. In terms of our approach on this, our colleagues at Aboriginal Affairs are committed to engaging with any aboriginal communities that have a desire to develop—

Hon. Geoff Regan: Sure, but I'm talking about the MPMO, about the consultations that you are engaging in. Are you simply overseeing those? How does that work?

Mr. Terence Hubbard: We're simply overseeing that process. Our colleagues at Aboriginal Affairs have the mandate to carry out those activities.

Hon. Geoff Regan: Your role is about major projects, right? It sounds like you're not limited to major projects, that it's a much broader role than that.

Mr. Terence Hubbard: We do have a policy mandate as well.

In terms of any issues that our colleagues at Aboriginal Affairs would identify in developing and negotiating these protocols or in implementing them, we do have the mechanisms to ensure that we can take a whole-of-government approach and perspective on these issues so that they're not left alone in trying to address issues that may extend beyond their scope and mandate.

Hon. Geoff Regan: If there was a proposal, for example, for a shale gas or a fracking project in Nova Scotia, am I right to think that would likely be too small to meet the threshold for the MPMO?

Mr. Terence Hubbard: I'm unaware at this point in time of any fracking proposals that would have triggered a review on the MPMO initiative.

Hon. Geoff Regan: Do you mean anywhere across the country?

Mr. Terence Hubbard: That's right.

Hon. Geoff Regan: None of them are large enough, in terms of value. Is it based on value?

Mr. Terence Hubbard: No, it's based simply on the level of federal review required by these projects. Most of the fracking

development activities occur under provincial jurisdiction, so in terms of the federal levers to oversee these projects we're kind of limited.

Hon. Geoff Regan: Are you able to tell me what the major issues are that have been raised in those conversations with the Mi'kmaq First Nation in Nova Scotia, and what projects they're most concerned about?

Mr. Terence Hubbard: I'm not sure if we have a list, Jim, in terms of which projects we're moving forward on within Nova Scotia at this point in time, but in terms of the conversations, I'm in the finalizing of that agreement. My understanding was that it was finalized quite quickly, that the first nations community was quite interested in working with the federal government to better define the scope and clarify expectations in carrying out consultations. By developing an agreement with the community, both sides have much clearer expectations going into any individual consultations on individual projects on how those consultations will proceed.

Hon. Geoff Regan: Are you able to tell me who specifically you're meeting with in relation to the first nations in Nova Scotia, what organization?

Mr. Terence Hubbard: I would have to follow up with my colleagues at Aboriginal Affairs, who are the ones liaising directly on the agreements.

Hon. Geoff Regan: Thank you.

The Chair: Thank you, Mr. Regan.

Ms. Crockatt, you have up to five minutes.

Ms. Joan Crockatt: Thank you very much.

I think we've all appreciated your candidness and the fact that we're learning a lot about how the MPMO works.

I think Canadians want to be sure that government oversight is thorough on these projects, that we haven't removed our competitiveness as a country in developing our resource projects, and that our standards are among the best in the world.

You have mentioned the EU and our relationship in terms of our standards with the EU. I wondered if you could expand further on those three areas and let us know how we're doing in terms of the thoroughness of reviews, our competitiveness with other countries, and where our standards sit vis-à-vis the rest of the world.

● (1705)

Mr. Terence Hubbard: Again, it's very difficult to draw precise comparisons across different regimes and different jurisdictions, given that they all operate under a different context, different legislation, different regimes, and they have their own processes and approaches in place. We're quite confident that the process we have in Canada is substantive in terms of its rigour and thoroughness and the ability to provide that certainty and clarity for industry proponents. We've been the office, and the initiative has been identified as a best practice by industry stakeholders and by different levels of government.

We've had a number of conversations with counterparts in the U. S., a number of conversations with delegations from Australia, and a number of conversations with business leaders across North America. They have pointed to the reforms we've made as a best model of best practices that their jurisdictions should look at in terms of replicating, to try to ensure that they continue to remain competitive with Canada as we go forward.

I'm not saying that our job is done. We can always get better. We continue to hear about areas where significant improvements can be made, so we continue to focus on our opportunities and where we can get better. We need to continue to move, because the bar continues to move. That's one thing we're certain of: the opportunity is to always get better.

Ms. Joan Crockatt: Maybe I could leave it with you. If there is anything in terms of measurability that's been said specifically, we'd love to know about that.

I'd like to ask you a bit about government creep. There is a tendency for departments to sort of self-sustain and to grow their responsibilities, especially when some responsibilities might have been taken away from them. I'm from Alberta and I hear a lot about Alberta projects. I hear also from some projects in Northwest Territories.

This is anecdotal so I'm asking you. We've heard about agencies like the National Energy Board that are now upping some of the regulations that companies have to fulfill which they were not enforcing previously and that go beyond what is strictly included in the 24 months. Companies are now quite concerned that the 24-month timeline might be met for just the strictest of criteria, but there are other opportunities to extend the timeframes.

One of the specific issues I wanted to leave you with and which you may be able to comment on is that the financial criteria now have been set much higher for companies participating in projects. It doesn't appear that anything has changed in the regulations, and the aboriginal companies in particular are very concerned they may be cut out of the opportunity to succeed in some of their applications.

Mr. Terence Hubbard: There are a number of things to comment on there.

In terms of creep and departments moving forward on these processes and reviews, I think number one is that the more we know, the more questions it leads to. As we develop a more rigorous understanding of the issues and have that more detailed baseline information going forward, these reviews are getting better and better over time. Also, expectations from Canadians are that we continue to look at these issues as rigorously as we can. We have public hearing processes that provide opportunities for all stakeholders to provide their comments, assess and test this information, and ensure that the rigour is in these processes as they go.

In terms of the kind of focus going forward, the National Energy Board has made a number of changes to their process over the years. They continue to focus on ensuring that, first and foremost, activities can be done safely. It is a key focus for that organization as well as all of our regulatory departments and agencies to ensure, first and foremost, that things can be done safely.

There was a whole series of measures introduced under the plan for RRD to ensure and strengthen pipeline safety going forward. Colleagues at Transport Canada focused as well on enhancing the marine safety regime as we move forward. There are a number of commitments moving forward on that angle.

There is definitely a trend towards ensuring that these processes not only are timely but are more rigorous, and that they meet a kind of world-class standard for safety.

• (1710)

The Chair: Thank you, Ms. Crockatt.

Ms. Joan Crockatt: Thank you.

The Chair: I have a few questions for you. I'm going to follow up on some questioning.

I think it was Mr. Bevington who indicated there were 18 individuals from companies in the natural resource sector who met with you. He made a comment that only companies met with you, or he asked you a question, I guess, as to whether it was only companies that met with you.

I want to follow up on that and ask whether or not you in fact meet with individuals from various government departments as well.

Mr. Terence Hubbard: Typically, in any individual project we'll have meetings with project proponents early before any project application is submitted. That would entail meetings in bringing together the relevant federal regulatory departments and agencies to participate in those discussions. MPMO isn't the subject-matter expert on each of these individual pieces, and part of the service we provide is trying to ensure that those proponents really understand the obligations before they get into the process.

The Chair: Right. Of course the names of these individuals wouldn't show up because they're not considered to be lobbyists. Is that correct?

Mr. Terence Hubbard: That is correct.

The Chair: Have you met with individuals from departments in provincial governments?

Mr. Terence Hubbard: We have regular ongoing meetings with our provincial government colleagues, both on individual projects as well as through broader mechanisms and fora that are more formalized.

The Chair: Their names don't show up on any lists because they're not considered to be lobbyists. Is that correct?

Mr. Terence Hubbard: That's correct.

The Chair: Really, the list that Mr. Bevington pointed to doesn't tell the whole story at all in terms of the types of people whom your office meets with and the types of discussions you have on an ongoing basis.

Mr. Terence Hubbard: To elaborate more broadly, the list captures a small percentage of the conversations that would be ongoing through the initiative. It wouldn't capture all of the ongoing conversations that we have at the official level with various stakeholder communities.

There have been a number of different mechanisms that the MPMO has used to solicit input from various stakeholder communities. We've had a number of different workshops with the environmental communities, aboriginal communities, and some of those reports are on the MPMO's website, but they wouldn't show up on the lobbyist list, no.

The Chair: Yes, exactly, as well as meetings that you've had with members of other departments.... Individuals from other departments have also had meetings, I would assume, with members of the aboriginal community and other communities that might have a vested interest in this process. Is that correct?

Mr. Terence Hubbard: That is correct, and discussions continue. MPMO is just one source of input into the process. Our colleagues at other departments and organizations continue to meet with our stakeholder communities as well in bringing that input into discussions among the broader interdepartmental community.

The Chair: Thank you very much. I just wanted to make that clear.

The other thing is, you said your hope is that your office can do yourselves out of a job down the road. I think what you are indicating is that you hope the various government departments can work together among themselves well enough that you will no longer be needed, and that various federal government departments will work well enough with provincial government departments that they will no longer be needed.

Knowing the nature of departments and the competitiveness among departments, I wonder whether that realistically is something that can happen. That competitiveness will remain. It's just natural; there's nothing wrong with it, but I think as much as anything it's the reason your office is needed. Is that a fair comment?

Mr. Terence Hubbard: That is a fair comment. These are significant, substantive projects and they generate all sorts of cross-cutting horizontal issues that don't fit neatly within departmental mandates. That's part of the value the MPMO brings to these issues in having mechanisms to address those horizontal cross-cutting issues.

In terms of the broader process and approach, we've hard-wired, if you will, through some of the legislative changes some of the best practices that we implemented through policy through the MPMO, through some of the legislative changes. Some of those changes are now permanently in the legislative framework, but there are still additional activities that we carry out through the office where there's a value for a central body to coordinate these activities going forward, yes.

The Chair: Thank you very much. My time is up.

• (1715)

Mr. Claude Gravelle: Mr. Chair, a point of information, please.

The Chair: Mr. Gravelle, go ahead, please.

Mr. Claude Gravelle: I'm a little concerned about one of the answers that he gave that some of the lobbyists are not on the list. Isn't it against the law to be lobbied by somebody and they're not on the list? Why are all the people you mentioned not on the list? Isn't that against the law?

The Chair: I don't see that really as a point of information.

Mr. Claude Gravelle: If it's against the law....

The Chair: You're certainly free to ask that question when you have a round. You can take a round of questioning later.

Ms. Duncan, go ahead, please, for up to five minutes.

Ms. Linda Duncan: Thank you very much, Mr. Chair.

I think it may have been Ms. Block who first raised it, but someone on the other side raised the issue of benchmarks, and I think it was followed up, maybe by Ms. Crockatt.

The government has talked about responsible development. I notice that your mandate is about ensuring responsible development. Over the time of the current government they have talked about balanced development. My understanding is that they have set up two indicators. One was the efficiency of the process, and the other was effectiveness. I think it was probably in the budget documents or the throne speech.

Efficiency was obviously about trying to speed it up, making it more timely and effective from that standpoint. Effectiveness was defined as meeting environmental responsibilities and responsibilities to first nations. I'm a little troubled in the discussion here that this seems to have fallen off the table. You said that you've come up with clear indicators for measuring efficiency but you are still working on the measurements for effectiveness.

It has just been reported this week that Canada is now at the bottom of the barrel among OECD countries for environmental protection. I'm wondering whether the way the international community is judging us might be an indicator to take a look at. Whom do you plan to actually consult with? Could you give us a list of the people you have been consulting and will consult on developing your indicator for effectiveness of the MPMO?

Mr. Terence Hubbard: You're correct about the MPMO looking to take a balanced approach to issues. It's very important in terms of our agenda going forward that we can demonstrate to stakeholders that it's not just about efficiency, but that we are making a concerted effort to improve the effectiveness of the process. That's why under the plan for responsible resource development there were dedicated segments of the plan to enhance environmental protection and strengthen our approach to aboriginal consultations.

We have a series of measures under each of those pillars—

Ms. Linda Duncan: My question was whom you have consulted and whom you will be consulting and whether you could provide us with that list.

Mr. Terence Hubbard: Most of the work we're doing in terms of developing our performance metrics is within our government departments and agencies. We're really working with our colleagues at Environment Canada and other departments to identify, for example, the best approach and best path forward to identify that we're delivering better environmental outcomes. They would be relying upon and leaning upon the input their stakeholders receive from various communities to inform their approach to this as well.

Ms. Linda Duncan: Thank you very much. I have a second question for you.

You've spoken a fair bit about this one window. I've been an environmental lawyer for 40 years and I've been at every discussion between the federal, provincial and territorial governments and industry on the one window approach.

I wonder whether you're aware of the harmonization accord that was entered into through the CCME, the Canadian Council of Ministers of the Environment, I believe in the 1980s, and of all of the work on the ground since. I was once the chief of enforcement for Environment Canada. It's my understanding that on the ground the federal and provincial authorities in DFO, Environment, and so forth actually work cooperatively and very well together. I'm a little puzzled about where all of this lack of cooperation and coordination is.

The joint panel reviews were set up 20 or 30 years ago. The federal government used to participate a great deal. It is now reduced to the point that the federal government might appoint somebody to the panel, but by and large they rely on the provincial review.

I'm puzzled about what the big task is that the MPMO has to take on.

• (1720)

Mr. Terence Hubbard: You are correct about the long history of work between the federal and provincial governments to address and work collaboratively and jointly on these issues. Those conversations have continued right up to the last energy and mines ministers meeting last fall, in terms of the commitment to continue to explore and enhance those relationships going forward.

The processes both federally and provincially continue to evolve and change over the years. Those changes and enhancements require continuous efforts and focuses to ensure that we're sharing and exchanging information and continuing to move in the general same direction. It's been quite clear from statements coming out of provincial governments that they've been very adamant about moving towards this one project, one review approach, right up to making and moving forward with the changes that were introduced

Ms. Linda Duncan: Could I just ask you—

The Chair: Thank you, Ms. Duncan. You're out of time.

We go now to Mr. Allen, followed by Mr. Gravelle, and then Mr. Zimmer, if there's time.

Mr. Mike Allen: Thank you, Chair.

There are two or three questions I'd like to follow up on.

Mr. Clarke, I think you indicated that you had officers in the regional areas and that you also have officers with expertise in certain areas. You are also proud of the fact that you built this team from the start, that it wasn't inherited.

Were these folks hired from outside, or were they transfers from other areas and other departments into this area?

Mr. Jim Clarke: Thank you for the question.

Just to clarify, if I left you with the impression that I have people in the region, I'm sorry for that; I don't. They are all Ottawa based.

Basically, these people were hired from various departments and agencies within the federal government, based on their skill sets and their expertise at the time.

Mr. Mike Allen: Okay.

I want to follow up on the overlap issue. I'm a little concerned with it. I think Mr. Trost pointed out the idea of the provinces coming onsite. We'd really like to have them come onsite. It would be great if we had a standard platform across Canada to do this work and make sure that we have no overlaps and make sure, maybe even more importantly, that we don't have any gaps in the process.

If you have a province such as New Brunswick or Nova Scotia or others on a bit of a different flow and maybe on different timelines, because they're not necessarily overlapping, have you seen such overlap? Do you have any concern, for example, if as part of this process you may have an approval and may have subsequent DFO permits issued, the province would slow the process down or overturn something that you had issued a permit on? Have you seen any of that, and do you see opportunities for improvement there?

Mr. Jim Clarke: I can't point to a specific example in New Brunswick right now in which that has occurred. I know that there's every effort for coordination. If there isn't a substituted or equivalency agreement in place and there is a provincial requirement and a federal requirement, the overall objective, and this is often driven by the Environmental Assessment Agency, is to coordinate to the maximum extent possible to make sure that one set of information is meeting the requirements of both jurisdictions and that they go along a parallel track and they are integrated when they can be, so that there is a coordinated assessment.

As to your concern about the uptake of substitution, there is one thing we're trying to do. We have a regulatory reform working group under the Energy and Mines Ministers' Conference which the MPMO was involved in. We work on a number of deliverables every year. One this year will be to share experiences on substitution. We'll ask British Columbia to share their experience on substitution, how it's going, how they got there, so that other provinces such as New Brunswick can learn from it, and so there might be more appetite to facilitate other provinces taking up a substituted approach.

Mr. Mike Allen: That's helpful.

This is the last question I have.

I have been to a few of the open houses both during the data gathering exercise that one of the proponents had, but maybe as importantly, the open house after the EIA was filed. That proponent conducted an open house and brought in a tremendous number of resources to talk about all the different aspects of the project. They had the expertise there, all the engineering people who had done the assessments.

Who judges the adequacy of that consultation process? Is it part of your role to do that and to determine whether the proponents have done enough to seek input with respect to the reports? Who ultimately makes the call on that?

• (1725)

Mr. Jim Clarke: I assume you're talking about a CEAA-led assessment, an assessment led by the Canadian Environmental Assessment Agency federally. In such a case, with their new authorities under the Environmental Assessment Act of 2012, it would be the CEAA leading the consultations and actually determining the adequacy at the end of the day of what they have done.

Mr. Mike Allen: How do you interface with that role to share best practices, or is there any role for your major projects management office?

Mr. Jim Clarke: For a CEAA-led assessment, we will have a project agreement. As Terry mentioned earlier, there is the environmental assessment, but there's also regulatory permitting and the aboriginal consultation element. We'll want to document how that is going to unfold over the course of the 12 months if it's a standard EA, or the two years if it's a panel review, and publish that publicly so that people can follow the course of the review. We set out clearly what the process will be in advance, and then we are there to facilitate issues resolution, if there are problems along the way.

Mr. Mike Allen: Okay, thank you.

The Chair: Thank you, Mr. Allen.

We have Mr. Gravelle with the final round of questions, and then I'll make a couple of comments on the next meeting.

Mr. Claude Gravelle: Thank you, Mr. Chair.

I have one question, and then I'm going to share my time with Ms. Duncan.

With regard to all the lobbyists the chair was talking about not being on the list, why aren't they on the list?

Mr. Terence Hubbard: Again, I'm not an expert on the Lobbying Act and the rules and requirements under it, but my understanding is there are specific requirements to report specific meetings with designated office holders. Not all staff within the MPMO would be a designated office holder, so those meetings would not—

Mr. Claude Gravelle: In other words, they're not lobbyists.

Thank you.

Ms. Linda Duncan: I have one quick follow-up question about your meetings of the deputy ministers of all the related departments. It goes to the issue of where you're claiming equivalency. That, of course, first came up under CEPA. The original rule was that you had to have identical regulations and identical enforcement compliance policies.

Does the Department of Justice sit on that committee?

Mr. Terence Hubbard: Yes, it does.

Ms. Linda Duncan: It does.

Has it been briefing the other deputies about the issue of illegal subdelegation?

Mr. Terence Hubbard: I can't precisely remember a specific conversation at the deputy table about that, but I do remember a number of conversations with Justice colleagues, and other federal departments and agencies in the course of the development of the

proposals and the legislation, about rules and requirements and what could and couldn't be done.

Ms. Linda Duncan: Okay.

So you understand there are certain federal powers that cannot be transferred to the provinces. One that Alberta has fought for 40 years is control over fisheries. It cannot be transferred to the provinces because that would be illegal subdelegation. Is that correct?

Mr. Terence Hubbard: I'm not a justice expert, so I would hate to answer on this.

Ms. Linda Duncan: Can you think of other areas of federal jurisdiction where the federal government could not simply say it's okay, the province can review and make a determination?

Mr. Terence Hubbard: I can say in terms of developing the new tools and approaches that were introduced as part of the legislative package that we were confident, and our justice lawyers were confident, that we were within our rights in what we could do under federal law and legislation.

Ms. Linda Duncan: If, for example, with B.C., Ontario, or Alberta, there were an agreement that there would only be provincial EIAs and provincial reviews, you don't have a concern with the constitutional obligation to first nations.

Mr. Terence Hubbard: In terms of consultation responsibilities, we aren't talking about delegating our duty to consult to provinces. Our duty to consult aboriginal groups isn't entrenched within those individual pieces of legislation and regulation. It's a constitutional regulation.

Despite the changes we've made to the environmental assessment and regulatory processes, our legal duty to consult aboriginal groups remains.

Ms. Linda Duncan: The MPMO has been following all of the court cases out of Alberta about when the Alberta energy board can make determinations on first nation rights in title, and when the federal government can make those determinations.

• (1730)

Mr. Terence Hubbard: We continue to work with our Justice colleagues and colleagues at Aboriginal Affairs on developments and any new jurisprudence in terms of court cases, what it may mean to our federal approach for aboriginal consultations, and whether or not we need to adjust our process going forward to ensure we fully meet and satisfy our obligations.

Ms. Linda Duncan: For the British Columbia agreement, is that going to exclude an open federal hearing on those matters?

Mr. Terence Hubbard: The memorandum of understanding that we've developed with British Columbia for substitution is pretty explicit in terms of our roles and responsibilities, the provincial role, and helping us to meet our consultation obligations going forward.

There is a public MOU outlining our commitments with the Government of B.C. and how we will implement those provisions, and it specifically gets into details in terms of aboriginal consultations.

Ms. Linda Duncan: My question isn't about consultation; it's about a panel review.

Could you make available to us a copy of the agreement between the federal government and British Columbia?

Mr. Terence Hubbard: Yes, it's public.

The Chair: Thank you, Ms. Duncan.

Just before I thank the witnesses, I want to say that on Wednesday we will have with us in the first hour four appointees to the National Energy Board, and in the second hour two order-in-council appointees to the Canada Foundation for Sustainable Development Technology. One is from that group and the other is from an order-

in-council appointment to the position of director of Atomic Energy of Canada. Those will be in the second hour. All of those will be here by video conference on Wednesday.

I want to end the meeting by thanking Mr. Clarke and Mr. Hubbard very much for the very important information on the major projects management office and to thank all members of the committee as well for their input into this meeting.

The meeting is adjourned.

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