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## **Standing Committee on Natural Resources**

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**EVIDENCE**

**Thursday, May 30, 2019**

**Chair**

**Mr. James Maloney**



## Standing Committee on Natural Resources

Thursday, May 30, 2019

• (1530)

[English]

**The Vice-Chair (Mrs. Shannon Stubbs (Lakeland, CPC)):** I would like to bring this meeting to order and recognize Mr. Whalen.

**Mr. Nick Whalen (St. John's East, Lib.):** Thank you, Ms. Stubbs.

In light of your motion, consideration of which was postponed on Tuesday, April 30, 2019, and which I understand you would like to debate now, I move for unanimous consent that David de Burgh Graham be appointed as acting chair of the committee for the duration of the consideration of Ms. Stubbs' motion only.

Do we have unanimous consent?

**Some hon. members:** Agreed.

**The Acting Chair (Mr. David de Burgh Graham (Laurentides—Labelle, Lib.)):** On the discussion, Ms. Stubbs.

**Mrs. Shannon Stubbs (Lakeland, CPC):** Thank you, Chair.

I appreciate the opportunity to be able to revisit this motion today. To remind everybody of the subject that we're talking about, I'll read the motion that I moved on April 30:

That, pursuant to Standing Order 108(2), the Committee immediately invite the Minister of Natural Resources to appear before the committee on June 20, 2019, for no less than a full meeting, to advise the Committee of the government's plan to build the Trans Mountain Expansion; and that this meeting be televised.

I hope that this motion will receive support from all members of this natural resources committee. I want to make the case for why it's important and why I'm confident that we'll have the minister here to explain to Canadians exactly what the next steps will be after the June 18 decision.

Of course, the Trans Mountain expansion was already approved by the independent expert National Energy Board and then by the current Liberal government three years ago, and was recently recommended for approval a second time by the independent expert regulator. However, not a single inch of the Trans Mountain expansion has actually been built to date.

The majority of British Columbians, Albertans, Canadians and also indigenous communities directly impacted by the Trans Mountain expansion support it. However, the issue around the Trans Mountain expansion has become about more than just the pipeline itself, and even more than about the long-term sustainability of Canada's world-class oil and gas sector, which is, of course, the biggest Canadian export and the biggest private-sector investor in

the Canadian economy. This is especially given the almost unprecedented flight of capital from the Canadian energy sector in the last three years, and the news again this week that yet another oil and gas operator in Canada has been bought out and will be leaving the country.

It's really about confidence in Canada, about the ability to build big projects and to ensure that major investment can be retained in Canada, and that when big projects are approved in the national interest, they can then go ahead and be built.

I want to make the case to all of my colleagues here that on June 18, Canadians expect, and I'm confident, that the Liberals will again approve the Trans Mountain expansion in the best interests of all of Canada.

However, I think at the same time that the Liberals must also present a concrete plan on how and when the Trans Mountain expansion will be built. I think it's the least that the Liberals owe Canadians, since they've spent \$4.5 billion in tax dollars on the existing pipeline and said that would ensure the expansion would be built immediately.

I hope that the natural resources minister will join us to answer outstanding questions, like what will the Liberals do in response to immediate court challenges from anti-energy activists that will be launched as soon as the Trans Mountain expansion is approved again? What will the cost be to taxpayers? How will that litigation take place? How exactly will the Liberals exert federal jurisdiction to prevent construction from being obstructed or delayed by say, weaponizing bylaws and permits by other levels of government or other measures that other levels of government might take? When will construction start? When will it be completed? When will the Trans Mountain expansion be in service? What will be the total cost to taxpayers? What's the plan for ongoing operation and ownership of the Trans Mountain expansion? Will there be a private sector proponent? Will taxpayers be expected to provide a backstop for the costs?

There has been an ongoing discussion, started about a year ago and more recently, about potential split ownership between an investment fund and perhaps an indigenous-owned organization. I think we all know that there are at least four organizations seeking indigenous purchase and ownership of the Trans Mountain expansion right now. I hope that the Liberals will be able to answer how that will work.

If that is a possibility, will there be transparent and regular reporting to Canadians about both the progress of construction and also the total costs incurred? Will there be dividends paid to Canadians if the ownership of the Trans Mountain expansion is transferred and purchased by somebody else, since of course every single Canadian now owns the pipeline because of the Liberal's \$4.5-billion expenditure?

I think those are, at the very least, a number of the issues that need to be addressed immediately after June 18, when we all hope and are confident that the Trans Mountain expansion will be approved by the Liberals once again.

• (1535)

That's why I hope all members will support the natural resources minister's coming to committee on June 20 to let all Canadians know those answers.

**The Acting Chair (Mr. David de Burgh Graham):** Thank you, Ms. Stubbs.

Mr. Schmale.

**Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC):** Thank you, Mr. Chair. It's good to see you there.

I had quite a bit to say, actually, but I do get the impression that there might be a positive response on the other side, so I will just support what Shannon Stubbs has said. I do agree with everything she has said. Hopefully, we can get some progress on this and, hopefully, the Liberals will support this motion and Canadians will be able to get a view of what the government's plan is to build that Trans Mountain expansion.

**The Acting Chair (Mr. David de Burgh Graham):** Mr. Whalen.

**Mr. Nick Whalen:** Thank you very much, Mr. Chair.

While I, obviously, take some issue with a lot of the axioms that underpin Ms. Stubbs' motion, the motion itself is largely fine.

I do want to reassure her that in a similar context, when investors had pulled out of the Hibernia oil field development back in the eighties and nineties, Canada came in and invested, and it turned out to be one of the best investments, from a return-on-capital perspective, that the Government of Canada ever made. Those investments now are, under the Atlantic Accord, paid back to Newfoundland and Labrador on an ongoing basis for the life of the field. Ultimately, I would like to see, at some point, a situation where British Columbians and Albertans get to benefit from this what I hope will be an excellent investment.

I also take some issue with the concerns about foreign direct investment because, of course, Canada's been a world leader in that now during our tenure in government.

Missing from her statement, of course, was Tsleil-Waututh Nation et al. v. Attorney General of Canada et al—the citation for that at the Federal Court of Appeal is 2018 FCA 153—which makes it pretty clear where the problems lie and whose process failed and had the injunction that required Canada to step in to save Albertans and this project.

We would be delighted to have the minister come to speak to all these matters and be able to give Canadians confidence that this was the right decision.

In fact, Ms. Stubbs has said June 20, 2019. I would propose to amend that slightly because it may be possible to do it earlier, and we would actually like to make it clear that it will happen as soon as possible following the announcement on the decision.

If she would accept that friendly amendment that he appear before the committee as soon as possible following the announcement of the decision by the Government of Canada on TMX...

**The Acting Chair (Mr. David de Burgh Graham):** Ms. Stubbs, is that a friendly amendment?

**Mrs. Shannon Stubbs:** I think it would be at little...to just say "on or before" June 20 since the decision is supposed to be rendered on June 18.

**The Acting Chair (Mr. David de Burgh Graham):** Mr. Whalen.

**Mr. Nick Whalen:** Is it on June 18, 19, 20 or 21? I have no idea. I can't tell you what day it's going to be.

**Mrs. Shannon Stubbs:** The decision by the Liberal cabinet is supposed to be made on June 18.

**Mr. Nick Whalen:** Even if the decision is made on that date, I don't know what date it's going to be announced, so I wouldn't be prepared to commit to that. What I'm saying is as soon as possible after the announcement. I also want to make sure that it's televised, so if there's some requirement that all the television feeds are not available to us on June 20, we have June 21 so that this can be televised.

**Mrs. Shannon Stubbs:** The original decision—

**Mr. Nick Whalen:** We ran into that issue at the Liaison Committee earlier today where other committees complained about the fact that television broadcasting facilities had been given to other committees. I'm not sure what's going to happen on June 20 in that regard. I do want to make sure that it's televised and that it happens as soon after as possible.

**Mrs. Shannon Stubbs:** I think it is important that we leave June 20 as the outside date since the Liberal cabinet was supposed to make the decision for approval on May 22 after the NEB's second recommendation for approval of the Trans Mountain expansion in the national interest. The Liberal cabinet requested the extension for the decision, delaying it by a month with even more uncertainty. The decision is supposed to be made on June 18, so "as soon as possible" would be after June 18, but before June 20.

• (1540)

**The Acting Chair (Mr. David de Burgh Graham):** Is somebody looking for the floor?

**Mr. Nick Whalen:** I'm happy to have the question called on the amendment, and then we can have it on the motion as well.

Do you need me to read out my amendment again?

**The Acting Chair (Mr. David de Burgh Graham):** Do you have any comments on the amendment, or are you ready to vote on the amendment? Do you want me to read the amendment?

**Mr. Jamie Schmale:** Can you say it again?

**Mr. Nick Whalen:** Rather than saying “on June 20, 2019”, it would say “as soon as possible following the announcement of the decision on TMX by the Government of Canada”.

**Mr. Jamie Schmale:** I would be more comfortable saying “no later than” somewhere in there.

**Hon. Kent Hehr (Calgary Centre, Lib.):** We don't know when that is.

**Mrs. Shannon Stubbs:** We do know; it's June 18. This is concerning. The decision is supposed to be made on June 18. The Liberal cabinet is supposed to decide whether or not it is accepting the recommendation for approval of the Trans Mountain expansion in the national interest on June 18. You're already a month late.

We also know the approximate end of session. I think it is very reasonable that we've given two days after the decision is supposed to be rendered. I'm sure you guys have your act together. I'm sure there's somebody in there, in the Liberals, who can explain exactly how the Trans Mountain expansion is going to get built, when it's going to start, if shovels will be in the ground before the construction season, how much it's going to cost, and how this pipeline will finally be built.

I don't understand how there can possibly be an argument right now to try to make the language wishy-washy, with weasel words, and not to hold to a date. You're already a month behind, and that's damaging and undermining confidence in Canada.

The decision will be made on June 18, but the minister should be here on June 20 or before.

**The Acting Chair (Mr. David de Burgh Graham):** Mr. Whalen.

**Mr. Nick Whalen:** I appreciate Ms. Stubbs' frustration, but I'm not privy to the information. I know that actually oftentimes the opposition feels that we are privy to things that we aren't, but we really have tried to maintain this deferential view on the work of the committees and the work of the government. If Mr. Hehr has a better view on it, I'm happy to hear it, but I am not privy to it.

This is something that I think is actually even better than what Mrs. Stubbs has asked for, so I was quite surprised that it's causing a problem. Also, it gives us an opportunity to make sure that it's broadcast, which I know is very important for Mrs. Stubbs. Also, it allows us to handle any issues regarding whether if the House rises we can come back and have the meeting.

This is important. We want to debate this. We want to have this come before our committee as soon as possible following the announcement, but I don't want to commit to something when I don't know whether or not it's true. That's not the way I roll.

Thank you.

**The Acting Chair (Mr. David de Burgh Graham):** Ms. Benson.

**Ms. Sheri Benson (Saskatoon West, NDP):** Just to add to that, if the point is to have a conversation with the minister after a decision has been made, then the amendment makes more sense. I hear what

Shannon is saying, and I hear her frustration. I know where the Conservatives are coming from, but if you just take a look at the committee, and you don't change the amendment, whether or not you think it's wishy-washy, or give them more time to do whatever they need to do, then it won't happen. Do you know what I mean?

Let's say in your life it doesn't happen, and they extend it. Then if you don't change the language in this motion, that conversation is never going to happen for you. If you change it to what they are saying, then it will happen, whether it happens on June 21 or July 21 or August 21.

I need to hear that it's important to have the conversation, or is it important just to say they failed; we've asked the minister and he's not coming, and—

**Mrs. Shannon Stubbs:** I think it's extremely important to have the conversation—

**Ms. Sheri Benson:** Okay.

**Mrs. Shannon Stubbs:** —especially on behalf of the thousands of unemployed oil and gas workers and contractors and the indigenous communities that I represent, who are involved in oil and gas, and on behalf of every Canadian who is waiting on this decision.

I think this is what I would say. Now we're actually in a world and having a conversation about how they might take even longer than June 18 to make the decision.

• (1545)

**Ms. Sheri Benson:** Yes.

**Mrs. Shannon Stubbs:** That would be very alarming and very concerning, I think, to every single Canadian, the vast majority of them, and certainly all those indigenous communities that are counting on the Trans Mountain expansion to be approved for the future of their communities, for their jobs, for their young people and for support for their elders long into the future.

I think this is exactly what Canadians are so frustrated about, that there's this ongoing uncertainty and delay, and I think, in good faith, that I will be surprised if the Liberals are not prepared to come out immediately with a plan for how to get the Trans Mountain expansion built, and if they aren't prepared to stick to the approval date of June 18.

**The Acting Chair (Mr. David de Burgh Graham):** Ms. Stubbs, we do have a speakers list, so I can put you back on there.

Mr. Hehr.

**Hon. Kent Hehr:** Thank you, Mr. Chair.

I've been listening with great interest. I am supportive of Mr. Whalen's amendment. I believe it achieves not only the spirit but the intent, and it will have the goal of getting the minister here to speak to this august committee. This will allow us to move forward expeditiously after the federal cabinet makes its decision, after it does its announcement, after the minister is able to present what has been decided.

The motion put forward by Mr. Whalen achieves all that Ms. Stubbs wants. Ms. Stubbs wants some clarity around the Trans Mountain. Of course we've said we wanted to move forward on that project in the right way. Since the Federal Court of Appeal decision said we had to go back and do the indigenous consultation better and do our environmental reports off the coast better as a result of the process put in place by the former government, well, that's what we did.

I think the motion put forward by Mr. Whalen will give Canadians confidence that we will be able to achieve many of the goals put forward by Ms. Stubbs, and in this case in particular, have the minister speak to this committee.

**The Acting Chair (Mr. David de Burgh Graham):** Mr. Schmale.

**Mr. Jamie Schmale:** Thank you, Chair.

I guess what I need clarification on.... I get the wording, and I get the televised part, but by changing the wording that Ms. Stubbs had, without including a before date—"no later than" whatever—it just leaves it open.

That goes to Ms. Stubbs' point about potential concern regarding the fact that the timeline has been missed already. If we miss it again, or the session ends, that concerns us as the opposition. We do want this conversation to happen. There are points to....

**Mr. Nick Whalen:** I can answer your question.

**Mr. Jamie Schmale:** Can I get the floor back?

**The Acting Chair (Mr. David de Burgh Graham):** Yes. It will be Simms method. Remember the Simms method, Jamie?

**Mr. Nick Whalen:** Okay, great.

It wasn't just televised and making sure that the decision is already made, but also, if the decision is made at such a time that we couldn't have a televised hearing while the House is in session, we would actually be able to come back.

So, the way I've changed this, we will come back as soon as possible to have this meeting after the announcement. There are a lot of reasons why the decision might yet again need to be extended if it's to save us from the same fate that plagued us last September. I want this project to be passed with sufficient accommodation for indigenous people, like everybody else, but I also want this meeting to happen.

What I'm saying, without insider knowledge of any of what's going on, is that the way I've structured the amendment is to make sure we have a meeting with the minister after the decision is made. The way that Mrs. Stubbs proposes it, it could possibly be that the decision has not yet happened, the minister still comes, we have our meeting and it's really not getting us the answers to the questions we want.

I appreciate that, if it doesn't happen on the 20th as Mrs. Stubbs is hoping, or on the 18th, that will give her great fuel to do lots of press. She will still have those opportunities. But, what I want to see happen is a meeting with the minister after the decision has been announced, regardless of when that decision is announced, so that we have an opportunity to discuss things that are on the public record with the minister.

Thank you.

● (1550)

**The Acting Chair (Mr. David de Burgh Graham):** Mr. Schmale, you still have the floor.

**Mr. Jamie Schmale:** Thank you. I like the Simms method.

That is the concern that we have right now. I appreciate what you had to say. I totally understand, but the issue we have now is the fact that when the announcement was made—I don't know how long ago—there was no plan. We think that, when the decision was made, the ministry should have had two plans—what to do either way. They didn't have that. They had to go back, and they missed another timeline in May.

I'd be fine with your amendment, but I do not.... That's why I said "no later than", because if there is a delay, I would like the minister here to explain why there is a delay, and why the decision hasn't been made even though he has said publicly that it will be June 18.

So, leaving it open-ended, I do get your point about the fact that we'll be able to raise issue with this in the media, but I think either way the minister needs to be here before the end of session, for sure—either way.

**The Acting Chair (Mr. David de Burgh Graham):** Ms. Stubbs.

**Mrs. Shannon Stubbs:** I would like clarity on whether the passage of this motion is dependent on the friendly amendment. If what our colleagues are saying is that they'll defeat the motion outright and not call on the Minister of Natural Resources to come to committee to answer all the questions that I have outlined and explain to Canadians how and when exactly the Trans Mountain expansion will be built, plus the ongoing operations, ownership and maintenance provisions, plus the overall costs and transparency around reporting and how this is all going to work in the long term, I find it very concerning that it's either this amendment is accepted or the motion is rejected.

To my colleague's point, that's actually exactly why I said that I'm hoping that members of the committee will press the minister on exactly what the Liberals' plans are in terms of dealing with the inevitable court challenges that will be launched against the Trans Mountain expansion, when we do hope the Liberals approve it for a second time.

The reality is, because of the failure to ask for a Supreme Court reference and because of the failure to take the opportunity to get indigenous consultation right on the northern gateway—instead, this Prime Minister of course chose to unilaterally veto it, despite the 31 indigenous equity partnership in the northern gateway—all that lost opportunity and time for the government to properly fulfill consultation with indigenous communities on pipelines....

Here we are and the reality is that now, after last year's court ruling on the Trans Mountain expansion that the Liberals' process of an additional six months of consultation failed, I think every single Canadian is hoping that this time it's been done right and that it will withstand challenges and that will lay the groundwork for the future. If not, Conservatives may have the opportunity to try to get this right six months from now. That is actually one of the issues that the minister must come and explain.

The reality is that whether that process worked will probably be tested and challenged in court, again. Canadians need to know exactly, very clearly, not just the cost, not just when the shovels will be in the ground, the timeline of construction and the in-service date, but also exactly how this time the Liberals will enforce federal jurisdiction, which they failed to do for the previous three years, to ensure that the Trans Mountain expansion will actually get up and get built, especially since he spent \$4.5 billion in Canadian tax dollars on the existing pipeline and said that would get the expansion built immediately, which actually was a year ago.

I just need that clarity. Is it an either-or proposition here that the friendly amendment will be accepted or the entire motion will be rejected by the Liberals, therefore blocking the Minister of Natural Resources to have to come here to be accountable to Canadians?

**The Acting Chair (Mr. David de Burgh Graham):** Ms. Benson.

**Ms. Sheri Benson:** Yes, that's my question.

It's a different motion if you just want the minister to come before the session ends. Then to have the minister come after a decision has been made, which is sort of.... I appreciate the conversation. I haven't sat at the committee a long time, and I certainly hear the passion on either side about getting information.

But these are two different outcomes to me. The conversations will be very different. I'm neither here nor there. If you want to have the minister come before the end of the session, that should be the motion. If you want the minister to come after a decision has been made, to be able to ask different kinds of questions, I'd also be

interested to hear how my colleagues will.... If the amendment has to be there for it to pass, it would be good to know that.

Thank you.

• (1555)

**The Acting Chair (Mr. David de Burgh Graham):** The speakers list is empty. Are we ready for the question on the amendment?

**Mrs. Shannon Stubbs:** No, we're not ready. I think we need to hear the answer from our colleagues.

Is it that you'll support the motion only on the condition that the amendment is accepted? Or will you support this motion?

**The Acting Chair (Mr. David de Burgh Graham):** Mr. Whalen, did you want to answer?

**Mrs. Shannon Stubbs:** Do you want to vote on the amendment?

**The Acting Chair (Mr. David de Burgh Graham):** If you're prepared to vote on the amendment, I am too.

(Amendment agreed to [*See Minutes of Proceedings*])

**The Acting Chair (Mr. David de Burgh Graham):** Do you want to debate the main motion or go straight to a vote?

**Mr. Nick Whalen:** Let's go straight to a vote.

(Motion as amended agreed to [*See Minutes of Proceedings*])

**Mrs. Shannon Stubbs:** Do you want to keep chairing?

**The Acting Chair (Mr. David de Burgh Graham):** Do you want me to?

**Mrs. Shannon Stubbs:** Wouldn't that be against the rules?

**Mr. Nick Whalen:** I'll seek unanimous consent that David de Burgh—

**Mrs. Shannon Stubbs:** It shuts me up more when I'm sitting over there.

**The Clerk of the Committee (Ms. Jubilee Jackson):** The unanimous consent motion adopted indicated that Mr. Graham would chair for the duration of the consideration of Ms. Stubbs' motion, which has now come to an end.

**The Vice-Chair (Mrs. Shannon Stubbs):** We'll now suspend the meeting briefly in order to go in camera.

[*Proceedings continue in camera*]





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