The Canadian Energy Pipeline Association (CEPA) represents Canada’s major transmission pipeline companies that transport 97 percent of Canada’s daily natural gas and onshore crude oil production. CEPA members have delivered oil and gas products with a 99.999% safety record for over a decade; a record we consistently improve upon. Our members are committed to public accountability, environmental stewardship, transparency and continuous operational improvements through the application of management systems and evidence-based practices.

CEPA and its members agree with the federal government’s goal of protecting the quality of the environment, and the social and economic well-being of Canadians through an effective, efficient, and accountable regulatory system; However, this must also include a regulatory system which supports a healthy natural resource sector. Canada’s energy future represents a massive opportunity for Canada and the health of Canada’s energy industry is integral to ensuring Canadians realize the full benefit of their energy resources. It is critical that government policies consider the need for our country to be competitive now, and in the future, which depends on finding an appropriate balance between environmental and economic considerations while ensuring regulatory objectives are met. The proposed *Oil Tanker Moratorium Act* (Bill C-48), as currently drafted, does not consider this important balance which is especially concerning given the significant obstacles already facing Canada’s Energy Industry.

The Canadian energy industry is currently faced with record-setting price differentials relative to U.S. barrels of oil at the end of 2018. Our oil and natural gas resources are landlocked and because of that, foreign and domestic investors are either sitting idle or moving their money to more competitive jurisdictions. The Canadian economy is missing out on billions of dollars in revenue. This reality is in part due to recent and planned government decisions that have put the Canadian energy industry at a significant disadvantage compared to competing jurisdictions around the world. If passed, Bill C-48 is one of the many policies that will compound uncertainty and corrode investor confidence in Canada.

In his mandate letter, the Minister of Transport was directed to ensure “Canada’s transportation system supports our ambitious economic growth and job creation agenda….and allow(s) Canadians and businesses to more easily engage globally.” Additionally, the Minister of Natural Resources Canada was directed by the Prime Minister “to introduce new, fair processes that will ensure that decisions (for energy projects) are based on science, facts, and evidence, and serve the public’s interest.” These commitments are the foundation from which we reasonably expect the government to legislate on critical matters of national importance, like market access. If passed, Bill C-48 will ban the shipping of crude oil to or from ports located on the northern British Columbia coast, restricting market access for one of Canada’s highest value resources. This is perplexing, given that Canada currently imports approximately 800,000 barrels per day of foreign crude oil into our eastern ports. CEPA strongly believes that given the profound impact of this Bill, government must give more thought to scientific analysis and achieving broader consensus.

This further analysis should specifically consider Canada’s world leadership on maritime safety. For example, a 2014 Transport Canada report noted that between 1988 and 2011, significant work by the government has improved the protection of marine safety. Since the mid 1990’s Canada has not experienced a single major spill from oil tankers or other vessels in national waters. It is also worth noting that the West Coast’s largest spill was caused by the sinking of a ferry in 2006, an activity that will continue regardless of the passing of Bill C-48. Additionally, as stated in the government’s own *[TERMPOPOL Review Process Report on the Enbridge Northern Gateway Project report]*, proposed industry commitments can ensure the safe shipping of crude oil and crude oil products in the identified moratorium zone. This shows
that appropriate measures can be taken to ensure energy products are transported safely and without environmental harm.

Additionally, the government announced $1.5 billion in funding for the National Oceans Protection Plan to strengthen Canada’s leadership as a world-leader in marine safety and provided funding to further improve our marine safety system, preserve and restore our marine ecosystems and create stronger Indigenous partnerships and engagement of coastal communities. Prince Rupert and Kitimat (ports that would be impacted by the proposed Bill) are already active ports and therefore should realize additional enhancements to marine safety from these commitments.

Pipelines vastly improve the diversity of Canada’s access to international markets for our natural resources, as well as enhancing access to refining capacity in the US and Eastern Canada. This will result in billions of dollars of additional government revenues and employment income. The benefit of higher prices will flow back to the overall Canadian economy in the shape of higher royalties and taxes.

Canada has been endowed with an abundance of energy resources that are of great economic significance and have the ability to contribute positively to the government’s strategic goals for creating wealth and jobs. Canada’s robust regulatory system, strong record in maritime safety and industry’s commitment to continual improvement positions Canada as a leader in the export of energy compared to other jurisdictions; However, Bill C-48 would inappropriately discriminate against some of Canada’s most valuable natural resources. Furthermore, the legislation is not clear on how various liquid hydrocarbons will be included in the legislation. This lack of clarity and the misguided objective of the bill are especially concerning given the global opportunities that Canada’s energy resources represent for the country.

In conclusion, political decisions are being made that have already harmed Canada’s investment climate. The consequences of potentially drastic policy changes for future energy projects have instilled uncertainty within the regulatory system, adding additional risks, costs and delays for a sector that the Prime Minister publicly acknowledged has built Canada’s prosperity, and directly employs more than 270,000 Canadians. The approach to policy making represented by the development of Bill C-48 contributes to this uncertainty and erodes Canada’s competitiveness.