

Minister  
of Natural Resources



Ministre  
des Ressources naturelles

Ottawa, Canada K1A 0E4

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Mr. Richard Denis  
Interim Clerk of the Senate and Clerk of the Parliaments  
and Chief Legislative Services Officer  
The Senate of Canada  
Ottawa, Ontario K1A 0A4

Dear Mr. Denis:

I am pleased to respond on behalf of the Government of Canada to the recommendations made in the report entitled *Pipelines for Oil: Protecting our Economy, Respecting our Environment* released on December 7, 2016. In the enclosed response, the Government of Canada addressed all of the committee's recommendations.

On behalf of the Government of Canada, I would like to thank the members of the Standing Committee and its staff for their work in preparing this report, along with the numerous witnesses who shared their insights. We share your commitment to building a cleaner and more competitive natural resource sector.

Yours sincerely,

Amarjeet Sohi, P.C., M.P.

Enclosure: (1)

Canada

**GOVERNMENT OF CANADA RESPONSE TO THE 6<sup>TH</sup> REPORT OF THE STANDING SENATE  
COMMITTEE ON TRANSPORT AND COMMUNICATIONS, ENTITLED:  
PIPELINES FOR OIL: PROTECTING OUR ECONOMY, RESPECTING OUR ENVIRONMENT**

## **INTRODUCTION**

The Government of Canada has reviewed the report of the Standing Senate Committee and thanks its members for their efforts in developing this report. The Government also wishes to extend its thanks to the numerous witnesses who provided expert testimony to the Committee, providing the members with a diversity of perspectives on the oil and gas sector.

The Government of Canada recognizes the importance of infrastructure development to access new and growing markets for our natural resources. The Trans Mountain Expansion Project (TMX) is an investment in Canada's future and we remain committed to moving forward in the right way, which includes meeting our duty to consult meaningfully with Indigenous peoples. Canadians understand the importance of diversifying export markets and ensuring a fair global price for Canadian resources. The Federal Court of Appeal (FCA) has told us that we need to do more work, and raised important issues that we will tackle head-on. Our Government has been clear that we are dedicated to developing our resources in a sustainable manner that protects Canada's rich natural environment, respects the rights and treaties of Indigenous peoples, and supports the resilience of our natural resources industries. Through new rules proposed under Bill C-69, which will better assess potential impacts of major projects and lead to more timely and predictable reviews, we will ensure good projects can go ahead with the full confidence of Canadians.

The Government's Response to the specific recommendations made by the Committee follows.

***RECOMMENDATION 1: The Committee recommends that Natural Resources Canada, in collaboration with Indigenous peoples, industry and academia, develop and update annually a working document of best practices in building partnerships with Indigenous communities in the natural resources sector.***

The Government recognizes that respect is the foundation of partnership. The Government also recognizes that it can learn from industry, academia and other governments' experiences in building partnerships with Indigenous Peoples.

The Government endorses the idea of developing a document of best practices in building partnerships with Indigenous Peoples. This document should be developed while adhering to Crown obligations to respect and uphold established or potential section 35 rights, key domestic and international commitments (e.g., United Nations Declaration on the Rights of Indigenous Peoples), as well as federal government requirements, processes and activities. Different pipeline projects tend to operate under very different regional circumstances with varying levels of support for projects and diverse Indigenous rights and interests. Moreover, certain pipeline companies already undertake progressive engagement and partnership strategies, including in areas that extend beyond the responsibility or interest of the federal Crown.

Given the various engagement and consultation processes that are undertaken by private proponents and agencies or departments within various levels of government, Canada endorses development of a document that is focused on (1) emphasizing or highlighting best practices that have had demonstrable results; and (2) helping proponents and Indigenous Peoples navigate the federal (and other) review processes, aligned with Indigenous requirements. Such a document could be developed once potential amendments to how consultation and engagement are done on pipeline projects are in place under the new impact assessment and regulatory processes proposed in Bill C-69 - An Act to enact the *Impact Assessment Act* and the *Canadian Energy*



*Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts; and Bill C-68 - An Act to amend the Fisheries Act and other Acts in consequence.*

Since 2004, two national engagement processes on consultation and accommodation with First Nations, Inuit and Métis communities, governments and organizations as well as provinces, territories and industry partners have informed the creation of the Interim Guidelines for Federal Officials to Fulfill the Duty to Consult (2008) and Updated Guidelines for Federal Officials to Fulfill the Duty to Consult (March 2011). A third national engagement process from May to August 2015 was led by Mr. Bryn Gray, Ministerial Special Representative, to seek input from Indigenous groups, provinces, territories and industry representatives on how Canada could improve its approach to consultation and accommodation. Mr. Gray, submitted his final report entitled "Building Relationships and Advancing Reconciliation through Meaningful Consultation" to the Minister of Indigenous and Northern Affairs in 2016. The report will be used to assist the government-wide effort to renew the relationship between Canada and Indigenous peoples based on recognition of rights, respect, cooperation and partnership.

#### *Recognition and Implementation of Rights Framework*

The Government of Canada is committed to fundamentally transforming the relationship with Indigenous peoples based on recognition, respect, cooperation, and partnership. We acknowledge that the recognition and implementation of rights must be the basis for all relations between Indigenous Peoples and the federal government. We will do this by creating a new Recognition and Implementation of Rights Framework through national engagement activities led by the Minister of Crown-Indigenous Relations. The Framework will also support our efforts to realign the relationship between the Government of Canada and Indigenous Peoples based on the United Nations Declaration on the Rights of Indigenous Peoples.

The Government of Canada will engage with First Nation, Inuit and Métis individuals, communities, organizations and governments, with a particular emphasis on engaging with women, youth and Elders. We will also engage with other key partners, including provincial and territorial governments, industry, scholars and academics, and the general public. The Framework will build on what we have heard over the last two years in working with Indigenous Peoples. Having a clear framework for recognizing and implementing Indigenous rights will also contribute to greater clarity and predictability for the development and use of lands and resources in Canada.

A major part of renewing this relationship requires strategic investments in infrastructure to improve socio-economic conditions of Indigenous Peoples and communities. For example, through Budget 2016, the Government of Canada is investing \$2.24 billion in Green Infrastructure programs that will directly contribute to a better quality of life for Indigenous Peoples, focusing on such priorities as wastewater management and disposal, infrastructure such as roads and bridges and sustainable energy systems in communities. Budget 2017 builds on these investments, with an additional \$4 billion over 10 years, starting in 2018–19, to build and improve housing, water treatment systems, health facilities and other community infrastructure. Budget 2018 proposes to invest \$2 billion over five years, and \$408.2 million per year ongoing, to support the creation of a new Indigenous Skills and Employment Training Program, which will replace the Aboriginal Skills and Employment Training Strategy. This includes incremental investments of \$447 million over five years, and \$99.4 million per year ongoing, and a stronger focus on training for higher-quality, better-paying jobs rather than rapid re-employment.

#### *Indigenous Advisory and Monitoring for Major Projects*

Over the course of Crown consultations and regulatory hearings for proposed natural resource projects – including, but not limited to, the TMX and Line 3 Replacement Project (Line 3) – Indigenous groups frequently raised their interest in being involved in the ongoing oversight and monitoring of major resource projects impacting them.



On the TMX Project, the Government consulted 117 potentially impacted Indigenous rights holders, marking the deepest consultation ever undertaken by the Government of Canada on a major project. For the first time, the results of the Indigenous consultations are transparently and publicly available. Overall, many Indigenous people and groups have demonstrated their support for the TMX Project. Also, 43 groups have signed benefits and capacity agreements with the proponent and \$300 million in benefit agreements funding committed. There are still many Indigenous people and groups who oppose the project. In response to the FCA decision, the Government will re-do Phase III consultations through meaningful, two-way dialogue with impacted Indigenous groups, including reasonable accommodation where required.

Following the approval of the Line 3 project, and the initial approval of the TMX project, the Government of Canada worked in partnership with Indigenous communities to co-develop and implement Indigenous Advisory and Monitoring Committees (IAMCs). These Committees, the first initiatives of their kind for linear (pipeline) projects, bring together Indigenous and government representatives to monitor and provide advice on environmental, safety and socio-economic matters related to the projects. The Government allocated up to \$64.7 million to support the IAMC-TMX, and up to \$21.6 million to support the IAMC-Line 3. The Government also launched the interdepartmental Economic Pathways Partnership pilot, which will make it easier for Indigenous groups to access existing federal programs and services that help them participate in economic opportunities related to the pipeline projects, and advance their broader economic development interests.

The proposed new *Impact Assessment Act* would expand the range of potential impacts on Indigenous Peoples that are considered in project assessments, and require that assessments take into account Indigenous rights and culture. It would also be mandatory to consider Indigenous traditional knowledge provided. Traditional knowledge would be protected from unauthorized release and managed in accordance with Indigenous laws and protocols. As proposed in the new rules, the government would work in partnership with Indigenous peoples from the start through early and inclusive engagement so we can get to better project decisions and outcomes. The new rules would also create space for Indigenous jurisdictions to exercise powers under the new legislation and in some cases conduct project assessments.

Tools and guidance would be developed collaboratively with Indigenous peoples to better support and systematically consider Indigenous traditional knowledge alongside science and other evidence. The new Impact Assessment Agency would be required to establish an Indigenous Advisory Committee to serve as a new mechanism for ongoing collaboration in the development of policy and guidance to support implementation of the legislation.

**RECOMMENDATION 2: *The Committee recommends that the Governor in Council use its authority to make appointments under the National Energy Board Act to appoint permanently an Indigenous peoples' representative to the National Energy Board. The representative should be chosen in consultation with Indigenous communities.***

In June 2016, the Government of Canada launched a comprehensive review of the federal environmental assessment and regulatory processes. As part of this review, the Government committed to modernizing the NEB and ensuring its composition reflects regional views and has sufficient expertise in such fields as environmental science, community development and Indigenous traditional knowledge. This included the appointment of temporary NEB Board members, including a member of an Indigenous group, in accordance with the interim principles.

On February 8, 2018, the Government tabled Bill C-69, which proposes to replace the *National Energy Board Act* with the *Canadian Energy Regulator Act* (CER Act). New provisions in Part 2 of the CER Act outline a new governance structure for the proposed Canadian Energy Regulator (CER) that better supports independent decision-making and accountability through the

separation of adjudicative functions, where a high degree of independence is needed, from operations functions, where a high degree of accountability is required. This is accomplished by:

- Creating a Board of Directors to provide oversight and strategic direction and advice to the regulator;
- Establishing the position of Chief Executive Officer, separate from the Chair of the Board, to lead day-to-day management and direction of the CER but not participate in making regulatory decisions;
- Establishing a group of Commissioners, appointed by the Governor in Council, who would be responsible for independent and transparent project assessment and decision-making (i.e., adjudication); and
- Establishing the position of the Lead Commissioner to be responsible for apportioning the work of the Commission.

Legislative provisions will require that at least one member of the Board of Directors and at least one full time Commissioner be an Indigenous person (First Nations, Métis or Inuit). These Governor in Council appointments are subject to the Open, Transparent, and Merit-Based Governor in Council (GiC) appointments process which sets out the required framework for the selection processes and strives to ensure that GiC appointments reflect Canada's diversity, including Indigenous peoples. Further, the Government of Canada will establish an Indigenous working group for the CER selection processes to support the recruitment of talented Indigenous candidates and advise the Selection Committees on ways to eliminate biases and barriers for Indigenous peoples.

In addition, the CER Act includes a mandatory provision for the CER to establish an Indigenous Advisory Committee to enhance the involvement of Indigenous peoples in projects involving pipelines, power lines and offshore renewable energy.

Bill C-69 ensures Indigenous participation and representation throughout the new Impact Assessment regime, and project lifecycle. Provisions in the proposed Impact Assessment Act (Part 1 of C-69), and the proposed Canadian Energy Regulator Act set out these requirements.

**RECOMMENDATION 3: *The Committee recommends that Natural Resources Canada modernize the National Energy Board NEB process by:***

- ***Removing the Governor in Council's automatic final approval of pipeline projects, thus empowering the NEB to act in Canada's national interests on pipeline decisions. These NEB decisions would be subject to appeal to the Governor in Council, similar to some licensing decisions by the Canadian Radio-television and Telecommunications Commission;***

The proposed CER Act also addresses this recommendation. For the assessment of non-designated pipeline projects (i.e., projects that are not subject to the proposed Impact Assessment Act), there are two review processes under the proposed CER Act. For smaller pipeline projects that are subject to an Order under s. 214 of the Act (e.g., pipelines less than 40 km) the Commission would have the authority to make a decision on whether the project can proceed and may impose any conditions that it considers appropriate without GiC approval. In the case of larger pipeline projects that require a Certificate under s.180 (e.g., pipelines longer than 40 km), the Commission would decide whether a given project is in the public interest and then submit recommendations on the conditions that it considers necessary or in the public interest to the GiC. The GiC would make a decision to either direct the regulator to issue a Certificate or direct the regulator to dismiss the application or return the report for reconsideration.

The proposed approach would restore the regulator's pre-2012 decision-making authority for pipeline projects by removing the GiC's ability to overturn a negative recommendation, while



retaining the ability to ask Commissioners to reconsider a recommendation. This measure reinforces the CER's independence to make a decision on whether a project is in the public interest while allowing the Government to approve the CER's decision to issue a certificate.

The assessment for designated pipeline projects would be led by the proposed Impact Assessment Agency of Canada (IAAC) in conjunction with the CER as part of a single integrated process. The single, integrated assessment would be conducted through a panel and would fulfill the requirements of both Acts. The integrated review would produce one report with two sections: impact assessment and life cycle regulator recommendations. The report would be made available to both the Minister of Natural Resources and the Minister of Environment and Climate Change and would be made public. The GiC would retain the power to make a final decision on whether the project should proceed, with an obligation to post its reasons for decision publicly.

- ***Ensuring that Canadians have multiple ways of participating in the NEB process, including, for example, online participation;***

Several measures are proposed as part of modernizing the NEB that would increase the transparency of Canada's energy regulatory system and provide Canadians with meaningful opportunities to be involved in the regulatory process. The new CER would feature a range of measures to enhance the transparency of its operations and provide Canadians with meaningful opportunities to be involved in regulatory review processes. For example, the CER Act would remove the NEB's "standing test" to ensure that any member of the public has an opportunity to express their views during review processes. Additionally, during the review process, the CER would also accept comments from the public on a draft list of issues and draft scope of factors.

Several complementary policy measures will also support efforts to enhance public participation and transparency. The CER would engage with the public outside of the hearing process to a more significant degree, both at the CER's main office as well as through enhanced regional presence. Regional offices have been opened in Montreal, QC and Vancouver, BC within the scope of the NEB's existing mandate after receiving public input; and the Chief Executive Officer would have the authority to establish regional offices in other locations within Canada in consultation with the Board of Directors. Similar to the new IAAC, the CER's participant funding program would expand to provide additional funding and support new activities, such as the early planning phase.

The Government of Canada would also use existing venues (e.g., Pan-Canadian Framework for Clean Growth and Climate Change and the Canadian Energy Strategy) to hold broad policy dialogues outside of project hearings. This measure would address issues raised during the Expert Panel process, namely that the NEB project hearings have become a forum for policy debates for discussing fundamental policy and system issues, such as climate change and need for better cumulative effects management. Furthermore, the CER would make more information available to the public online in a way that is easily understood, including by publishing regularly updated incident reports and creating tools on key topics, such as the regulator's cost-recovery model, standards for compliance and management systems, and environmental protection. Finally, unlike the *NEB Act*, the CER Act would not prohibit hearings for international power lines that are subject to the permit process.

- ***Broadening the NEB's mandate to include greenhouse gas emissions and other environmental matters that are within the scope of pipeline construction;***

The NEB review of pipeline projects includes considerations of direct Greenhouse Gas (GHG) associated with construction and operation of the project. The Government's interim principles for major pipeline projects, including Enbridge Line 3 Replacement and TMX, broadened that consideration to include an upstream GHG assessment, conducted for each project by Environment and Climate Change Canada.



Under the proposed legislation (Bill C-69), when making a recommendation to the GiC, the factors considered by the regulator in its “public interest determination” have been expanded in legislation to explicitly reflect the consideration of environmental, social, safety, health, socio-economic issues, including cumulative effects, regional assessments, gender-based impacts, economics, as well as impacts on Indigenous peoples. Moreover, the CER Act was amended during its review by the House of Commons’ Standing Committee on Environment and Sustainable Development, so that Canada’s environmental obligations and climate change commitments would be explicitly considered in decisions concerning pipelines, power lines, and offshore renewable energy projects.

- ***Broadening the NEB’s mandate to ensure effective communication and consultation with stakeholders;***

The CER Act would require processes and a Participant Funding Program to support meaningful Indigenous and public engagement. In addition, the Commission must make public its reasons for holding a hearing. Through these provisions, the CER will engage with the public to a greater degree as part of its early planning and engagement efforts and will be empowered to undertake early and ongoing engagement with Indigenous peoples in respect of regulatory authorities and requirements through the lifecycle of a project. Furthermore, the CER would make more information available to the public online in a way that is easily understood, including by publishing regularly updated incident reports and creating tools on key topics, such as the Regulator’s cost-recovery model, standards for compliance and management systems, and environmental protection.

- ***Having the federal government conduct its consultation with First Nations at the same time as the NEB’s review of a pipeline project, and feeding the results of that consultation into the NEB process before the Board’s final decision on a project.***

The CER Act in the proposed Bill C-69 has provisions for the CER to be an agent for Her Majesty for all purposes, which will give the regulator the authority to consult with Indigenous groups on behalf of the Crown. In addition, greater opportunities for Indigenous peoples to participate in project reviews would be pursued via various methods, including an early planning phase and Indigenous advisory committees. The Regulator’s Participant Funding Program would be expanded to further support this enhanced involvement, and the CER would establish committees and programs to improve Indigenous involvement in lifecycle oversight of infrastructure under the Regulator’s jurisdiction. It is further proposed that increased capacity would be provided within the department of Natural Resources Canada to strengthen relationships with Indigenous peoples in the natural resources sector and support engagement throughout the lifecycle of non-designated projects. Under Bill C-69, designated projects (such as major pipeline projects) would go through an early planning and engagement phase where potential impacts are discussed with the public and with Indigenous peoples at the outset. This approach would lead to better project design and greater clarity for project proponents, and enable: early discussions between the proponent, Indigenous groups, stakeholders, and governments; up-front recognition of Indigenous rights; and enhanced opportunities for cooperation and harmonization with provinces, territories and Indigenous governments to achieve “one project, one assessment.”

***RECOMMENDATION 4: The Committee recommends that the National Energy Board, as part of its hearings on the proposed Energy East Project, examine the Strait of Canso area as an alternative end point of the pipeline.***

The Government of Canada recognizes the importance of infrastructure development to access new and growing markets for our natural resources. Our Government has also been clear that we are dedicated to developing our resources in a sustainable manner that protects Canada’s rich



natural environment, respects the rights and treaties of Indigenous Peoples, and supports the resilience of our natural resources industries.

In Canada, private industries determine where and when to pursue pipeline projects. TransCanada Corporation proposed to construct a pipeline that would carry 1.1 million barrels per day of crude oil from Western Canada to New Brunswick on the east coast. The company decided to cancel the project on October 5, 2017. TransCanada's Energy East was a private project driven by business considerations. The proponent develops its project application in a business environment where factors can change, such as the price of oil. The role of government is to ensure predictable and comprehensive regulatory regime, to determine whether projects are in the Canadian public interest.

Currently, Section 19 of the *Canadian Environmental Assessment Act 2012* identifies factors that must be considered in the environmental assessment of a designated project, including "alternative means" of carrying out the designated project that are technically and economically feasible and the environmental effects of any such alternative means. In the review process and project hearings the NEB considers alternative means of carrying out a proposed Project, such as options for alternate locations, routes, construction methods and mitigation measures. Route alternatives are proposed by the proponent in the pre-application phase, and refined after consultations. There are also opportunities for public comments and modifications through the detailed route hearing process. The proposed environmental assessment legislation under Bill C-69 contains project and route alternative considerations, such as the factors to consider for designated projects in paragraph 22 (1) (e).

The Government understands the crucial role the NEB plays. We will continue to rely on the NEB to support critical decisions on key projects while the modernization review is underway, and have put in place interim principles to guide our decisions on major resource project assessments that are already in-progress. These interim principles strengthen the consultation process and instill greater public confidence by ensuring that decisions are based on science, traditional knowledge of Indigenous peoples and other relevant evidence; views of the public and affected communities are considered; Indigenous peoples are meaningfully consulted, and GHG emissions are fully assessed.

***RECOMMENDATION 5: The Committee recommends that Natural Resources Canada focus on improving public knowledge about regulatory processes, the economic importance of the oil and gas sector, and its impact on Indigenous peoples and the environment.***

The Government agrees with the recommendation. The Government recognizes the important economic potential provided by Canada's oil and gas resources. In particular, the development of our oil resources creates jobs for Canadians across the country, either directly in the oil, pipeline and construction industries or indirectly in businesses that supply goods and services to these industries. It also generates tax revenues for governments to use to finance public services and infrastructure, and to assist the transition to a low-carbon economy.

The Government believes that the lack of awareness of Canada's natural resource products and public confidence are key barriers to market access and diversification. The Government aims to break down this barrier and support the development and expansion of markets for Canadian natural resource products by making information available to Canadians and by reviewing Canada's environmental assessment and regulatory processes. This helps maintain natural resource sectors' access to existing markets and increases their access to new market segments.

Sharing information with Canadians is one of Natural Resources Canada's priorities. Natural Resources Canada achieves this through a variety of activities. For example, any member of the public can express their views to the Minister of Natural Resources and receive a response in a thorough, timely manner. Natural Resources Canada also publishes information on its website including podcasts with pipelines experts, fact sheets about Canada's major pipelines and safety



regulatory regimes, and background information on pipeline decisions. Last year, the Minister of Natural Resources launched Generation Energy, a national dialogue on Canada's path to a low-carbon future. The six-month national conversation took place face to face with provinces and territories, Indigenous groups, international experts and academics, and online with all Canadians through [www.generationenergy.ca](http://www.generationenergy.ca). Over 380,000 participated in the public dialogue on Canada's energy future, the results of which contributed to a public report that will guide future policy.

The NEB has also proactively enhanced its outreach and engagement activities with Canadians beyond its usual engagement within its lifecycle regulatory approach to projects with the goal of improving its regulatory practices, processes, and information materials. For instance, as part of its National Engagement Initiative, the Chair and CEO of NEB travelled across Canada to consult with Canadians from various groups (academia, environmental groups, Indigenous, business, landowner, first responders and municipalities) on how the Board can improve its pipeline safety program and to hear their thoughts on the role of the NEB. The NEB is increasing the use of tools such as social media and data visualization of energy markets information through interactive online tools. The NEB has been making significant improvements in accessibility to information for research and facilitate their access to community-specific NEB-regulated infrastructure information. In addition, Budget 2017 has also allocated \$1.9 million over three years to the NEB to provide Canadians with timely access to information on energy, regulations and pipeline safety and to help respond to increased interest in NEB's activities in a timely manner.

The issue of broad public confidence was a key issue discussed at the 2016 Energy and Mines Ministers' Conference (EMMC), an annual gathering of federal, provincial and territorial (FPT) ministers responsible for energy and mining portfolios. The 2016 EMMC concluded with FPT ministers agreeing to endorse four common principles: to foster relationships, improve communications, balance community interests with environmental and health impacts, and support science and innovation and to develop a joint action plan that proposes concrete actions to strengthen public confidence in each of these areas. The 2017 edition of EMMC built on that work to continue addressing the public confidence gap in the energy sector in Canada.

Through a modernized environmental impact assessment process, the government will increase access to science and evidence, and make easy-to-understand summaries of decisions publicly available. The government will also work in partnership with Indigenous peoples to ensure their involvement in studying project impacts from the start. The new impact assessment process for project reviews would include a planning phase. In the early planning phase, the proponent must provide the IAAC with an initial description of a proposed designated project. This initial description would allow the Agency to determine whether the proposed project is a designated project under the *Impact Assessment Act*.

The initial description would also include sufficient detail to ensure that information is provided early enough to potentially affected communities and Indigenous groups so that the design of the project may be meaningfully influenced through the proponent's engagement with those groups. A new Capacity Building Program would be introduced to provide longer-term financial support, outside of project-specific participant funding, to support the development of internal capacity within Indigenous communities and organizations. The Agency would also be required to provide the public with an opportunity to participate in the planning phase. For example, the public would be invited to provide input on the proponent's initial project description.

***RECOMMENDATION 6: The Committee recommends that Fisheries and Oceans Canada ensure that the Oceans Protection Plan includes enhancements to the Canadian Coast Guard, including an expansion of resources and bases of operations for the purposes of oil tanker spill mitigation and prevention.***

The Government of Canada is committed to a clean environment and a strong economy. It also recognizes the importance of infrastructure development, including pipelines, to access new and



growing markets for our natural resources and has been clear that this should be done in a safe and sustainable manner that protects Canada's rich environment, respects the rights and treaties of Indigenous Peoples of Canada, and supports the competitiveness of our natural resource industries. The Government of Canada agrees with the recommendation that the Oceans Protection Plan (OPP) include enhancements to the Canadian Coast Guard, including an expansion of resources and bases of operations for the purposes of oil tanker spill mitigation and prevention. Through the OPP the Government of Canada will invest \$1.5 billion over five years in initiatives and programs that will continue to improve on Canada's already strong marine safety and spill management systems.

The OPP was announced in November 2016, and new initiatives are already underway to enhance the Canadian Coast Guard. It provides for increased capacity on all three coasts to better position the Canadian Coast Guard to work closely with Indigenous and local communities to assess risks and respond quickly to marine emergencies and pollution incidents. Expanding the Canadian Coast Guard Auxiliary role in environmental response, including development of Indigenous chapters, ensures a faster and more efficient first response to reports of oil spills. Canadian Coast Guard equipment for oil spill response is being upgraded including: spill booms, small response vessels and clean-up technologies, and new mobile command posts to better coordinate with partners. Specific investments in new radar sites in key strategic locations on the east and west coasts, as well as the re-opening of the Maritime Rescue Sub-Centre in St. John's, Newfoundland and Labrador will improve marine traffic monitoring and promote more effective operational coordination and response to all-hazard marine incidents. Increasing the towing capacity of the Coast Guard fleet will allow the Coast Guard to take swift action to avoid disasters. Two new vessels operated by the Canadian Coast Guard in the areas that pose the greatest risk have been leased to tow large commercial ships, including tankers. Towing capacity will be added to major Canadian Coast Guard vessels on the East and West coasts.

In addition to these investments to the Canadian Coast Guard, the OPP will enhance spill mitigation and response capacity in other federal departments and partner organizations. In particular, Environment and Climate Change Canada will locate emergency officers on each coast, increase the number of wildlife service staff, enhance its 24/7 oil spill modelling capacity, and improve communications and enforcement officer readiness to ensure the environment is protected in the event of an oil spill. Environment and Climate Change Canada is also improving marine weather services in high risk areas by providing more detailed weather information more frequently supported by the deployment of five new buoys – two on the west coast and three in the Atlantic region. Response Organizations, which are certified by Transport Canada, are key partners in Canada's collaborative approach for marine pollution response. To improve industry's preparedness for oil spills, Transport Canada is also reviewing the existing requirements for the industry-funded Response Organizations that provide spill response services in Canada. This review, which will include broad engagement, could result in amendments to time standards for responding to ship-source oil spills.

**RECOMMENDATION 7: *The Committee recommends that the Government of Canada continue its research into the behavior of various types of oil in water and how aquatic ecosystems can be better reclaimed after an oil spill, as outlined in the Oceans Protection Plan.***

The Government recognizes the importance of ensuring spill responders have the information needed to predict the trajectory of a spill, determine the best response plans and actions, and be equipped with the best spill response technologies and equipment. Since 2012, our understanding has greatly improved related to the fate and behaviour of oil products should oil spill into marine and fresh waters. In particular, federal scientists, in collaboration with colleagues in other levels of government, academia, and the private sector, have made considerable progress, publishing more than 60 peer-reviewed papers or conference presentations. In addition, there are 30+ additional peer-reviewed papers published by external organizations.



The Government of Canada is committed to ongoing science work related to oil products and spill response. Government of Canada scientists continue to conduct research to better understand how different oil products behave in Canada's waters and specific environmental conditions. This includes work to build and refine ocean models using information such as currents, winds and waves to allow responders to accurately track spills and predict their path. Under the OPP, researchers will examine how oil spills behave in water, how we might improve clean-up technologies, including study of alternative response measures, what impacts they may have and how to best mitigate impacts, and how to ensure ecological recovery after an incident.

In addition, Natural Resources Canada is providing \$5M in funding for external technology development under the Oil Spill Response Science Program. These projects are focused on improving recovery technologies and processes for the clean-up of oil products spilled in marine environments. These projects, undertaken in collaboration with academia, industry and oil spill responders, will help build more solutions into this space.

Under the OPP, the Government of Canada is making further investments to build scientific knowledge to strengthen environmental protection and mitigate the impact of oil spills on marine ecosystems. The Government of Canada will fund improved research capacity to seek safe, reliable, and more effective technologies to clean up oil spills. Research into new clean-up technologies is an essential part of a world-leading marine safety system. New investments will fund research to help improve emergency response to marine pollution incidents on the water drawing on the expertise and experience of the science community both in Canada and abroad. New international partnerships will give Canadians access to the best technology available for spill clean-up. A program will build on the work of Fisheries and Oceans Canada's world-leading Centre for Offshore Oil, Gas and Energy Research (COOGER) and will encourage collaboration on scientific research with Indigenous and local communities, international research facilities and industry. COOGER performs collaborative research to support evidence-based decision-making, including: predicting the fate, behaviour and interaction of oil products in the environment; and testing various techniques to mitigate the impacts of oil spills on ecosystems.

A robust regulatory and operational framework, informed by science, will expand the list of countermeasures available to spill responders and enhance their ability to reduce the environmental and socio-economic impacts of oil spills in Canadian waters. Specifically, the Government of Canada is examining the use of select Alternative Response Measures (ARMs) for oil spill response when their use is likely to achieve a net environmental benefit, as supported by an operational framework and an enhanced foundation of scientific evidence. Environment and Climate Change Canada is leading the scientific research on the use of ARMs during response planning and response operations needed to support the operational framework. This research will be augmented with new scientific information gathered through the Fisheries and Oceans Canada-led parallel Multi-Partner Oil Spill Research Initiative (MPRI).

The \$45M MPRI is led by Fisheries and Oceans Canada under the OPP, and will focus on the science of alternative oil spill response measures. This initiative is aimed at addressing knowledge gaps in oil spill response research and will bring together a national/international network of scientists. The Government will establish new and stronger international collaboration on oil spill research, ensuring we have access to the best world-wide knowledge on spill response technology and impacts.

This supports federal leadership in maritime incident management capacity, while maintaining polluter accountability, and the mandate commitments to: 1) apply evidence-based decision making to protect oceans, ecosystems, and sensitive areas within them and, 2) to improve marine safety.

Finally, Fisheries and Oceans Canada has several ongoing science and research initiatives related to oil spill preparedness and response, including the investment from Canada's Ocean Protection Plan. The Department is also investigating the potential impacts on the environment in order to

focus longer-term environmental remediation efforts through its Coastal Environmental Baseline Program. The National Contaminants Advisory Group is supporting research on how various oil and gas contaminants affect fish and other aquatic organisms. Two pilot sites in the Province of British Columbia (Port of Vancouver and Port of Prince Rupert) have been identified for the collection of new data to characterize the ecosystem and develop a baseline of information that may be used to inform decision-making, including a cumulative effects of marine shipping framework and other assessments. This work is being developed in collaboration with Indigenous Peoples and coastal communities.