

## Industry Groups Say Trans Mountain Deal Brings ‘Relief,’ But Worries Remain

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While industry representatives welcomed today’s announcement that work will resume this summer on the Trans Mountain expansion, they also emphasized the need for the federal government to ensure legal and regulatory certainty for future pipeline projects.

At least one group expressed concern that the proposed Impact Assessment Act (*Bill C-69*) currently before the House of Commons will make it even more difficult for new pipelines to be built.

The **Canadian Energy Pipeline Association** said in a statement said it is pleased that the Trans Mountain expansion will be constructed as through its completion it will create thousands of jobs and deliver economic benefits across the country.

“Canada will continue to need major pipeline projects to deliver responsibly-produced Canadian energy to markets around the world while ensuring a fair price for our resources,” said CEPA.

However, the association said it is “deeply concerned” that the federal government needed to purchase the project for it to be built and to assert federal jurisdiction. It is also concerned about what that might mean for future transmission pipeline projects.

“We do not believe that this outcome will instill investor confidence in Canada,” **Chris Bloomer**, president and CEO, said in a statement

The Trans Mountain expansion, he pointed out, went through extraordinary reviews and was approved by the government of Canada 18 months ago. “The project has always been in the national interest.”

Canada needs to ensure its legal and regulatory systems, including the changes proposed under the new Impact Assessment Act (*Bill C-69*), support new pipeline development, said Bloomer.

“Projects require clarity and predictability, and once approved should not be subject to costly delay tactics that thwart Canada’s economic and social prosperity.”

Finance Minister **Bill Morneau**’s announcement brings with it “a degree of relief that a large measure of uncertainty of the viability of the project has been lifted,” said **Gary Leach**, president and CEO of the **Explorers and Producers Association of Canada**.

“I think with federal ownership they will be able to push this through.”

At the same time, he pointed out, the federal government painted itself into a corner through policy changes it had made in the last few years that resulted in the situation in which Trans Mountain is the only pipeline project in play.

“Here they are, having to salvage it with public money.... In every case private capital was willing to step up and build these pipelines and in every case those opportunities have been lost,” said Leach. “It’s not necessarily a ringing endorsement of Canada as a place to invest.”

The EPAC chief executive also welcomed Alberta’s participation in the project. “This is a huge economic uplift for Alberta if we can get better prices for all of Western Canada’s crude.”

Leach, though, went on to suggest that *Bill C-69* is the unfinished business for the federal government. “If they don’t want to find themselves still looking out at the private sector missing in action on building major resource projects, they need to do a

major rethink of *Bill C-69*,” he said. “Everybody in the energy resource sector, their view is that bill will make it virtually impossible for someone who wants to risk their time and capital to navigate their way through the process set out.”

The **Canadian Association of Petroleum Producers** also welcomed the government’s decision that will enable a construction start this summer.

“Today, the government has clearly made a long term commitment to the Canadian oil and natural gas industry,” **Tim McMillan**, president and CEO, told reporters this morning.

“I am pleased to see the federal government step up and clear the path to the construction of the Trans Mountain pipeline expansion,” he said. “This is a firm commitment from the highest level of government to build the pipeline in a timely fashion.”

Trans Mountain is critical infrastructure needed to move Canadian energy to world markets and to restore investor confidence in Canada’s economy and its political system, said McMillan. “The federal government has the confidence to make this purchase and proceed with this project which signals to global investors that Canada is reliable as a business partner and in energy trade,” he said. “It also means that Canada will be able to serve international markets with oil produced the Canadian way with the world’s highest standards.”

CAPP also welcomed the government’s commitment the project will move back into the private sector where it belongs, said McMillan.