



Getting to Implementation of the Pipeline

BRIEFING THE MINISTER OF FORESTS, LANDS, NATURAL RESOURCES OPERATIONS AND RURAL DEVELOPMENT

February 24th, 2018



BRIEFING TEAM

Diane Prelich, ADM – Economic Development

Lisa Gotlieb, ADM – Indigenous Relations

Pauline Raphael, ADM – Environment

Rodney Carew, ADM – Energy

Tasha Oommen, ADM – Municipal Affairs



OBJECTIVE OF BRIEFING

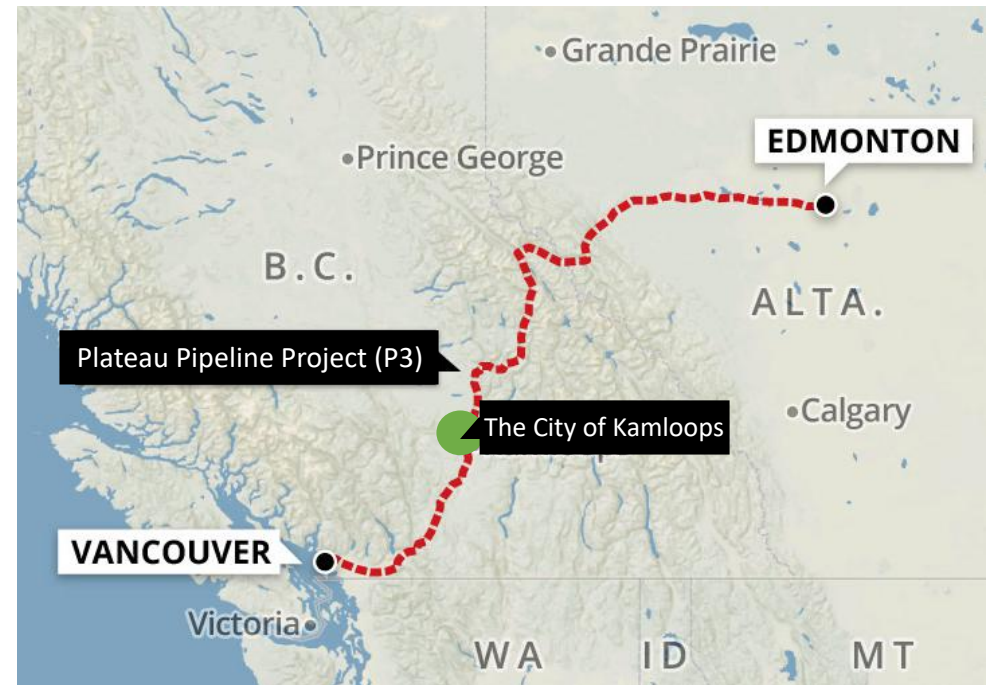
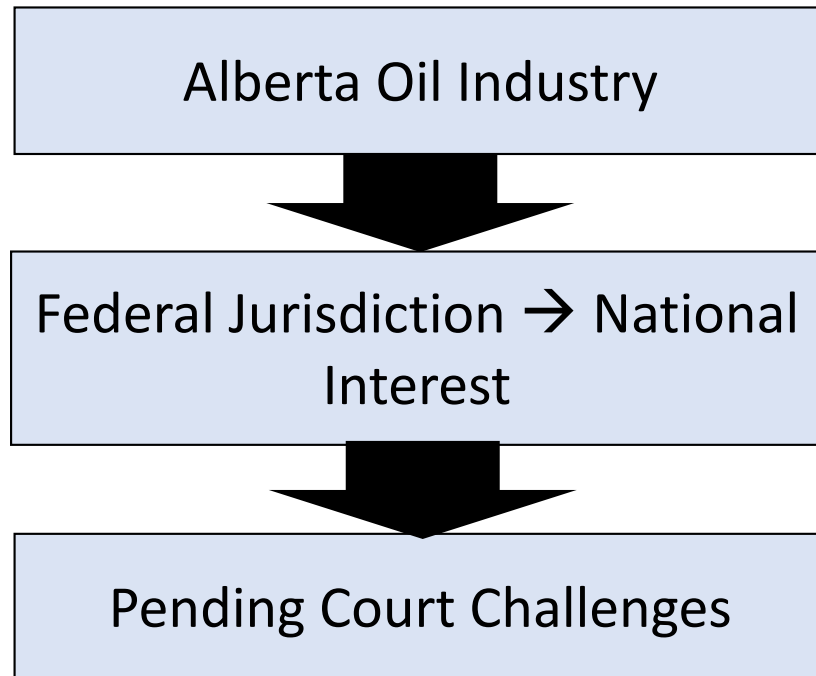
Provide policy and implementation recommendations regarding the P3 pipeline expansion for:

- 1) The Province of British Columbia
- 2) The City of Kamloops
- 3) Briefing the MLAs in Kamloops

OUTCOME

The pipeline construction is a contentious issue for British Columbians; however, positive outcomes for citizens, Indigenous peoples, and the environment are achievable through an innovative implementation plan.

CONTEXT



KEY CONSIDERATIONS

Indigenous Peoples

Environmental Issues

Economic Impact

INDIGENOUS PEOPLES IN CANADA

Federal Jurisdiction




Provincial Jurisdiction

Executes regulatory duties
Administers land management
Provides support services

Treaties, agreements
Tsilhqot'in Decision
First Peoples' Cultural Council

CURRENT ECONOMIC CONTEXT

Impact on Canadian Economy from
Pipeline Delays



**\$15.6 Billion
In 2018
0.75% GDP**

Source: Scotiabank Report, 2018

Impact on BC Economy from Alberta
Trade Dispute



\$500,000,000
BChydro 

Source: CBC, 2018



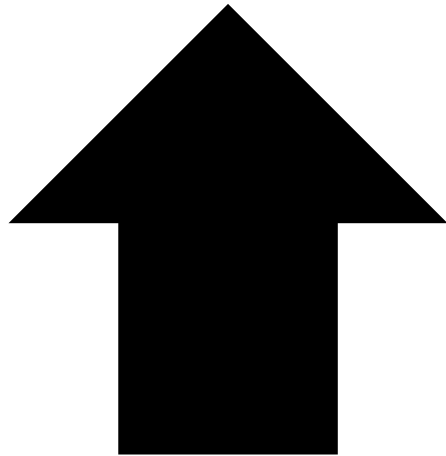
\$42 per bottle



Source: CREDBC, 2016

ECONOMIC ANALYSIS

BC Government Revenues from P3 Project

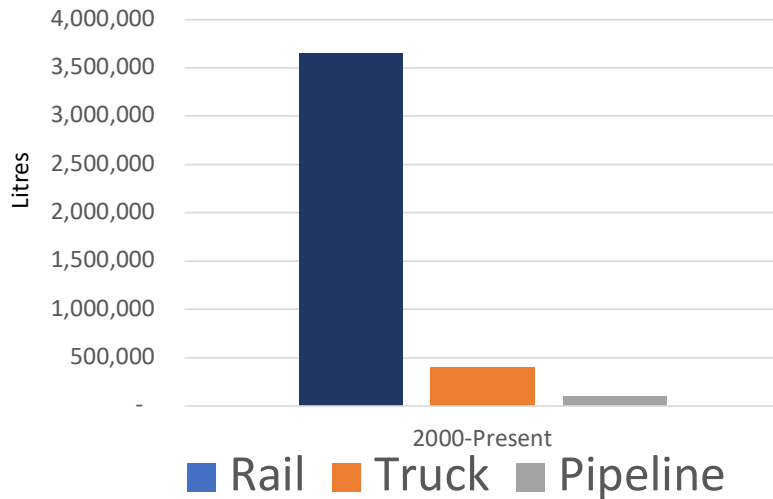


\$6 Billion
Over 20 years

Source: Conference Board of Canada Report

ENVIRONMENTAL ISSUES

British Columbia Land Spills



Source: Government of British Columbia



Lac-Mégantic Rail
Disaster, July 2013

Oil Barge





BRITISH COLUMBIA PUBLIC OPINION

In Favour

42%

58%

In Opposition

Source: Calgary Herald, February 19th, 2018

POLICY OPTIONS

OPTION	PROS	CONS
1 Oppose the Pipeline	<ul style="list-style-type: none"> • Diminishes civil unrest from pipeline opponents • Ameliorates Indigenous land issues related to the pipeline 	<ul style="list-style-type: none"> • Escalates intergovernmental issues • Attorney General has identified lawsuit risk • Adverse financial impacts
2 Devote a Percentage of Provincial Budget to Mitigate Pipeline Effects (5%=\$2.5 Billion)	<ul style="list-style-type: none"> • Accelerates development of alternate energy sources • Enhances environmental risk mitigation 	<ul style="list-style-type: none"> • Redirects funding from other provincial priorities such as health care and education • Increases risk of tax increases
3 Support Pipeline construction with enhanced oversight	<ul style="list-style-type: none"> • Solidifies financial benefit • Mitigates environmental concerns • De-escalates intergovernmental issues 	<ul style="list-style-type: none"> • Increases risk of civil unrest from pipeline opponents • Perceived failure to address Indigenous affairs issues

POLICY RECOMMENDATION

3

Support Pipeline construction with enhanced oversight while minimizing adverse impacts and maximizing benefits

RECOMMENDATION – SHORT TERM (Within 1 Year)

INDIGENOUS

Treaties & Leadership

ENVIRONMENTAL

Spill Contingency Plan – Estimate of \$30 Million*

ECONOMIC

Leveraging Community Benefit Agreements

RECOMMENDATION – MEDIUM TERM (2-5 YEARS)

INDIGENOUS

Achieve Treaty Settlement Goals/ Increase of 20%
of Representation on Regional Boards

ENVIRONMENTAL

Ongoing Monitoring and Compliance/Oversight

ECONOMIC

Program Development and Implementation
\$300 Million*

RECOMMENDATION – LONG TERM (5 YEARS+)

INDIGENOUS

Achieve Truth and Reconciliation Action Plan
Deliverables

ENVIRONMENTAL

Eliminate Reliance on Fossil Fuels

ECONOMIC

Economic Prosperity through the Development of
Alternative Resources

RISK ANALYSIS

RISK	RECOMMENDED MITIGATION STRATEGY
Oil Spill	Pro-active and immediate negotiation with Federal government to strengthen recourse
Civil Unrest	Continued Consultations and Town Halls – Education and Outreach
Indigenous Peoples	Promote Indigenous representation in Provincial decision-making positions
Nominal Oil Revenues	Additional investment in alternative energy sources

QUICK WINS



REDUCE TENSIONS BETWEEN PROVINCES



REITERATE PROVINCIAL COMMITMENT TO COURT PROCESS
(INDIGENOUS PEOPLES & ENVIRONMENTAL GROUPS)



FINANCIAL BENEFIT – CONSTRUCTION IN AREAS WHERE
CONDITIONS HAVE BEEN MET

COMMUNICATION STRATEGY - INTERNAL

Audience

- Premier of British Columbia and Cabinet Ministers
- Internal Staff

Key Objective

- Communicating internal policies to clarify position on pipeline construction

Key Messaging

- Environmental concerns will be mitigated, BC Residents see positive outcomes, and consulting with Indigenous Communities



COMMUNICATION STRATEGY - EXTERNAL

Audience

- MLA's; Federal Government; and Alberta Government
- General Public; Key Stakeholders; and Media

Key Objective

- Clarify BC's Position on Pipeline Implementation
- Effective use of Social Media

Key Messaging

- Environmental concerns will be mitigated, BC Residents see positive outcomes; outreach to Indigenous Communities

PILOT PROJECT

CITY OF KAMLOOPS



Canada's Tournament Capital

THE CITY OF KAMLOOPS



POPULATION: 90,280



Small city along the Pipeline route

No Community Benefit Agreement

Liberal MLA Representation

Indigenous Community – Tk'emlups te Secwepemc

Split Favour/Opposition Towards Pipeline

RECOMMENDATIONS FOR KAMLOOPS

INDIGENOUS

Outreach to the Northern Shuswap Tribal Council for Indigenous Peoples representation on Nicola-Thompson Regional District Board

ENVIRONMENTAL

Hiring a full-time monitoring agent

ECONOMIC

Support signing of the community benefit agreement
Provide Crown land for the establishment of additional affordable housing (RE: WHA)

CHALLENGES FOR KAMLOOPS

Unsigned community benefit agreement



Clear communication on mitigation of concerns to ensure signed agreements

Housing shortage during pipeline construction period



Considering leasing Crown lands to developers for the development of housing

Potential increase in drug use



Extensive training in crisis counselling and substance abuse

MLA BRIEFING

CITY OF KAMLOOPS





MLA BRIEFING

Speaking Notes

Key Objective

- Communicate to the MLAs the government's position on Indigenous engagement, environmental protection, and economic development for the City of Kamloops

Key Messaging

- Support pipeline construction with enhanced oversight
- Securing 55 full-time jobs
- Hiring a full time inspector
- Best Practices for Community Benefit Agreements
- Lease Crown land for Affordable Housing Initiative
- Ongoing consultations and town halls



APPENDICES



1. BP to Pay out \$25 M for 2000m00 Gallon Alaska Oil Spill in 2006

<https://www.theguardian.com/environment/2011/may/04/bp-25m-north-slope-oil-spill>

2. The Whistler Housing Authority Story

https://cdn.shopify.com/s/files/1/1211/9038/files/the_wha_story_a_history_of_affordable_housing_in_whistler.pdf?4217136421306221965

3. Transporting LNG: An Overview of West Coast Tanker Traffic

http://www.emaofbc.com/wp-content/uploads/2015/03/Rossi-EMA_Presentation_FINAL_WS.pdf



4. A Self-Inflicted Wound Pipeline Delays to Cost Canadian Economy

<http://business.financialpost.com/commodities/energy/a-self-inflicted-wound-pipeline-delays-to-cost-canadian-economy-15-6b-in-2018-says-scotiabank>

5. Jagmeet Singh Not Picking Sides on Pipeline Battle

<http://www.cbc.ca/news/politics/singh-pipeline-bc-alberta-trans-mountain-1.4540543>

6. New Economic Trends Realities

<http://credbc.ca/new-economic-trends-realities/>

7. British Columbia Reported Spills

<https://www2.gov.bc.ca/gov/content/environment/air-land-water/spills-environmental-emergencies/spill-incidents>

3. Transporting LNG: An Overview of West Coast Tanker Traffic



- 1985 Voluntary Tanker Exclusion Zone for loaded oil tankers servicing the Trans-Alaska Pipeline System between Valdez and Puget Sound
- Approximately 100 km offshore
- Replaced earlier TAPS tanker routes to which loaded tankers had adhered
- More than 300 loaded tankers transit the B.C. coast annually while respecting the exclusion zone.

PERFORMANCE MEASUREMENTS

	Short	Medium	Long
Environment	Receipt of \$30M from Pronteau within 12 months	Number of completed monitoring and compliance activities per fiscal year	Reduction of fossil fuel usage by 80%
Indigenous	20% increase in representation in decision-making roles	100% treaties settled	Achievement of Truth and Reconciliation Action Plan deliverables
Economic	100% signed community benefit agreements	\$300M in revenue	Revenues from investments in the Green energy industry

October 30th, 2017 – New Environmental Regulations took Effect

Division 2.1 Spill Preparedness, Response and Recovery



Government of British Columbia Website, 2018

<https://www2.gov.bc.ca/gov/content/environment/air-land-water/spills-environmental-emergencies/spill-preparedness-and-response-bc>