



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Natural Resources

RNNR • NUMBER 002 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Monday, February 22, 2016

—
Chair

Mr. James Maloney

Standing Committee on Natural Resources

Monday, February 22, 2016

• (1535)

[English]

The Chair (Mr. James Maloney (Egmont—Lakeshore, Lib.)): Good afternoon, committee members and Minister. Thanks to all of you for being here today. This is our first full meeting after last week's meeting, when we adopted some procedural motions and set up the structure of the committee.

Minister, first let me say how grateful we all are that you are able to make the time to be available. We had a discussion at our first meeting last week as to how we might set our course. It was decided unanimously in this group, and with a spirit of co-operation, which I anticipate will continue for the duration of this committee, that if you were available, we would all enjoy having you attend. We know how busy you are. Thank you very much for making the time to be here, especially on short notice.

We know how important it is for ministers to be involved with parliamentary committees, so this is a great way for us to start.

I understand we have you for an hour. One thing we're going to do today after you've left is to spend some time charting our course for the future. Your being here today is going to help us a great deal in getting that going. Thank you again.

Committee members, we're joined today not only by Minister Carr but also by Mr. Bob Hamilton from the department, who will be here to help us out as well. Thank you, sir, for attending as well.

Today we're going to talk about the mandate letter and the issues that arise from it. As some or hopefully all of you are aware, there were some estimates tabled in the House late last week. I understand there will be some tomorrow as well at 10 o'clock.

The minister has kindly agreed to come back on a date in March, which I believe we've tentatively set as March 21, to discuss the estimates at that time. Rather than deal with that today, we're going to focus on the issues arising out of the mandate letter, particularly since we're limited in the amount of time we have.

Again, thank you, Minister, for coming today. We're going to start with introductory remarks from Minister Carr for 10 minutes. Then we're going to follow that with questions, using the procedure we adopted last Wednesday at our meeting.

Minister, I'll turn the floor over to you.

Hon. Jim Carr (Minister of Natural Resources): Thank you, Mr. Chair.

To all members of the committee, I am really looking forward to this. It's the first time for me, and it might be the first time for others of you around the table participating in a robust discussion, centred in this building, around this important committee. I think that more and more of our public policy will be and should be stimulated by robust discussion in a multi-partisan way. That's what this committee allows.

Mr. Chair, you were very happy about that spirit of unanimity. I'm wondering when that word will be used again—soon, I hope. We all strive for consensus. Unanimity can be elusive, but I'm sure there will be within your own work and within your own debates robust and respectful disagreement. After all, that's what it's all about.

I congratulate you and I welcome the chance to engage you.

[Translation]

I've prepared some remarks for today but I want to begin by thanking all of you for serving on this committee.

[English]

Your efforts here will go a long way in helping to inform and shape how Canada develops its natural resources in ways that benefit communities economically and socially.

The principles of sustainable development are more important now than they have ever been and will be an essential part of our work together.

That's a big responsibility, but also a truly nation-building exercise, because the development of our natural resources puts that at the intersection of so many of Canada's top priorities, for example, climate change and the environment, engagement with indigenous peoples, innovation, economic growth.

The history of Canada's indigenous peoples and generations of immigrants has been shaped by Canada's vast forests, the exploration, development and use of minerals and mines, and the abundance of our energy from hydroelectricity, wind, solar, and nuclear to oil and natural gas.

Central to our stewardship of Canada's natural resources has been our profound connection to the land, water, and wildlife, and the understanding of the quality of life Canada's natural resources have given us and will continue to provide for generations to come, as long as we make good choices, choices based on science and which include the participation of indigenous people and communities.

Natural resource management is a big responsibility. I'm privileged to be tackling this responsibility along with all of you. I'm looking forward to your insights and your input.

As you know, these have been challenging times for many of Canada's natural resource industries. The markets have not been kind to commodities: oil, natural gas, minerals, metals. Forestry also faces dramatic changes in the demand for paper and other forest products.

Low commodity prices have dictated difficult decisions on capital spending and even more difficult ones on personnel. Behind each resource project cancelled or delayed, there are Canadian families affected and facing uncertain futures. As Minister of Natural Resources it is seeing the impact of the commodity downturn on Canadian families that concerns and troubles me the most.

While this government's fast tracking of \$750 million in infrastructure spending to Alberta does not make up for the job losses in the private sector, it is a start and a signal that while Canada's federal government cannot change oil prices, we do care and will take all reasonable measures to help.

Commodity cycles are real. They have highs that drive wealth and prosperity and they have lows that reduce the flow of investment capital, impacting jobs and government revenues. While we are in this low cycle, I believe there are things we must do now and over the longer term to realize a brighter future: a future built on innovation and adapting to changing times by finding greener ways to extract and develop our natural resources and get them to market; a future built on investing in clean technology and green infrastructure, making greater use of renewable sources of energy and ensuring that the economic and environmental benefits of energy efficiency are fully realized.

Where do we begin today?

- (1540)

My mandate letter from the Prime Minister is a good starting point, and its unprecedented release to the public says a lot about the open and transparent approach we are taking. Just as parliamentarians do, any Canadian who is watching this or cares to read reports of this conversation has access to that mandate letter, to which I will be held accountable.

My instructions are to ensure our resource sectors remain a source of jobs, prosperity, and opportunity in a world that values sustainable practices. That goes to the heart of my focus over these past 15 weeks. We can no longer have conversations about resource development or economic growth without talking about environmental sustainability. We can no longer talk about moving our natural resources to markets without first ensuring we have a regulatory process that carries the confidence of Canadians.

It's time for us to have an open discussion about our environmental assessment system, one driven by climate change imperatives, supported by world-renowned science and technology, and reflective of the diversity of Canadians.

It starts by seeking consensus. We'll never get everybody saying the same thing. Just witness the questions that have been posed to me in the House over the last number of weeks. I think if we could get agreement on the other side about the questions they were going to

ask the government, we'd be in great shape, but I'm not holding my breath.

But we can develop a process for reviewing and assessing major resource projects that will be acceptable to Canadians. In the interim, we've developed a transitional approach for major resource projects under review. We are not asking the proponents of these existing proposals to go back to square one. Instead, we are insisting upon more meaningful consultations with indigenous peoples and affected communities. We want to listen intently and engage respectfully before decisions on these projects are made, because nothing less will do.

We are also requiring, for the first time, that major federal reviews include an environmental assessment of a project's upstream greenhouse gas emissions. This will help to inform our national climate change plan with the provinces and the territories. Also, we are ensuring that decisions on any resource project are based on science and evidence, and that the evidence includes traditional indigenous knowledge.

That's why we will be modernizing the National Energy Board so that its composition reflects regional views and has deep expertise in indigenous traditional knowledge. This type of engagement is a recurring theme in my mandate letter.

For example, the Prime Minister has also asked me to work closely with the provinces and territories on the Canadian energy strategy. The goal is to protect Canada's energy security while also encouraging energy conservation and bringing cleaner, renewable energy onto a smarter electricity grid.

We have similar ambitions when it comes to the continued greening of our mining and forest industries. The Canadian brand in mining is recognized around the world as a leader in sustainable development and innovation. The same holds true for all of the Canadian forestry companies that have been improving mill efficiencies, finding new uses for conventional forest products, and investing in innovative new products and technologies.

We want to build on these successes. That's why one of the first things our government did was to make sure that Canada is part of Mission Innovation, an ambitious new global partnership that is bringing 20 countries together with some of the world's best-known entrepreneurs to accelerate the clean energy revolution.

I'm very pleased that the member for Portage—Lisgar was able to join me in our hometown of Winnipeg to welcome the American and Mexican secretaries of energy to that historic meeting.

How will we do that? By doubling government investment in transformative clean energy research and development over the next five years, by increasing collaboration among participating countries, and by spurring private sector investments in clean technology. The Prime Minister has already made commitments to invest an additional \$100 million each year in clean technology producers and \$200 million more annually to support innovation and the use of clean technologies in the natural resource sectors.

Canada has the resources, the expertise, and the experience to lead the fight against climate change while positioning itself as a global leader in low carbon energy and sustainable resource development. We also have an opportunity to do all of this as part of a continental approach with our North American partners. That's especially true in the energy sector.

● (1545)

Earlier this month I hosted the American and Mexican secretaries of energy in Winnipeg where we signed a memorandum of understanding on climate change and energy collaboration. It reflects a bold vision for our continent, a vision that secures North America's place as one of the world's most dynamic energy regions, a vision that strengthens our collective energy security, and a vision that commits us to collaboration on environmental stewardship.

[Translation]

It's a vision within our grasp. A vision with potential for other resource sectors. And a vision that can reset the course of our economy to create opportunities for generations to come.

[English]

If we take the power of industry, show respect for the land and water, and acknowledge the essential role of indigenous peoples, we can be an example, not just to the world, but to ourselves.

Thank you.

The Chair: Thank you very much, Minister. Again, we're very grateful for your comments.

We're going to open the floor up to some questions. First up is Mr. Serré.

[Translation]

Mr. Marc Serré (Nickel Belt, Lib.): Thank you, Mr. Chair.

I'd like to thank the Honourable Jim Carr for presenting to the committee the mandate letter he received from the Prime Minister. Clearly, we need to pay special attention to the important sector that is natural resources.

As you know, mine is the Nickel Belt riding, a region named after the natural resource it is home to, nickel.

It's refreshing to see that the government's approach to natural resource development includes cooperation with the private sector, aboriginal peoples, the municipalities and the three ministers affected by the issue.

As far as support for innovation and clean energy is concerned, it's also very refreshing to hear your plans for the forest, fishery, mining and agriculture industries. I am really looking forward to working

with the committee, the minister and Parliament on developing our country's natural resources.

My questions today are about the mining sector.

[English]

Nickel Basin in northern Ontario is home to one of the most innovative technology and R and D initiatives. It's kind of a best-kept secret in the mining industry and industry across Canada.

● (1550)

Last Friday, I had the opportunity to be at the official launch of LMIT, Laurentian Mining Innovation and Technology. Laurentian University is a world-class leader in R and D in mining research, when you look at the application of innovation in the mining company. It's the only university across Canada that actually has exploration and mining all around it, so they're in a very good position to prosper that.

Part of that LMIT group is the Centre for Research in Occupational Safety and Health. There is also MERC, the Mineral Exploration Research Centre. There is also MIRARCO which looks at mining innovation, and the Vale Living with Lakes Centre, which our Prime Minister visited.

In addition, in northern Ontario we also have NORCAT. NORCAT partners with the private sector in the mining industry to look at bringing some of the products to market. Also, we have CEMI, the Centre for Excellence in Mining Innovation. The other element we looked at, which is responsible for 23,000 mining and supply jobs across northern Ontario, is SAMSSA. It looks at exporting our products across the world. In addition, as you've heard, there's Neutrino's SNOLAB, which recently won a Nobel prize in physics.

There are a lot of amazing R and D projects happening in the mining industry.

Laurentian University has just applied for funding with the Canada First research excellence fund. This fund typically looks at aerospace, technology, and the health sector. This \$65-million R and D initiative is the only application in the mining industry. Laurentian University has made the short list, and is partnering with another fine institution, the University of British Columbia.

Minister, you mentioned earlier about the importance of the mining industry to Canada, and then the innovation part of it. I'll just give a few facts about the mining industry for the committee.

There are approximately 380,000 people across Canada... The mining industry is the largest employer of aboriginal peoples in Canada on a proportional basis. Employment is poised to increase. Canada has the largest mining and supply sector globally, with more than 3,400 companies supplying engineering, geotech, environmental, and financial, and now they're supplying mining operations.

Those who work in mining have the highest-paid salaries of any industrial sector in Canada, with an average annual pay exceeding \$110,000. Canada has an economic agenda in the mining industry for contributing \$54 billion to the country's GDP. Also, we're exporting 19.6% of our Canadian goods across the world. When we look at mining and mineral production, we're talking about \$43 billion in the Canadian economy.

I extend an invitation for you to visit northern Ontario and the mining industry to look at the innovation and research.

My question, Mr. Minister, is that many companies have spent millions of dollars for exploration of mining projects in Canada. How can the National Energy Board, in co-operation with the Department of the Environment and Climate Change, help to facilitate and support the mining industries and companies in simplifying the start-up of new mines for quicker processing times, permits, and certificates of environmental assessments, which have lagged behind during the past decade?

The second question is, how can Natural Resources, the National Energy Board, and the Department of Environment and Climate Change support the increase and the improvements of the regulatory conditions for exporting across the world?

Thank you.

The Chair: Thank you, Marc.

Minister, we have about two minutes to answer that question.

Hon. Jim Carr: I think I should let him answer. That was terrific.

I have a couple of things to say. The first is that I'm really looking forward to Sunday and Monday in Toronto, at the Prospectors and Developers Association of Canada meeting, which is one of the most important mines meetings in the world. Thousands of people come to Canada, and they come to Canada for a good reason: because we're leaders.

You talked about regulation. Everybody wants to make sure that regulations are streamlined, efficient, and don't unnecessarily get in the way of any proponent. However, we've had a problem with public confidence in the regulatory system, and we're out to change and improve it.

During the course of the next little while, maybe we can talk about the five principles that Minister McKenna and I tabled a few weeks ago, which will determine the short-term approach. But in the long term, we want to modernize the National Energy Board. We understand that in the long term we have to have a regulatory process that does carry the confidence of Canadians. I will be looking to members of this committee for their good advice on that modernization and review, as the National Energy Board begins to pick up steam in the short and medium terms. We'll certainly be looking for people in the mining sector as knowledgeable as you are about ways in which we can ensure that modernization and reform facilitates confidence in the process and therefore speeds the way to sustainable projects.

The Chair: Your timing is impeccable. Thank you.

I now turn the floor over to Ms. Bergen.

● (1555)

Hon. Candice Bergen (Portage—Lisgar, CPC): Thanks very much, Chair.

Thank you very much, Minister, for being here. It's a pleasure to take a little more time than the 30-second exchanges we've had.

I want to start with one topic and then go on to the five principles you just mentioned. When Parliament first started in December, you repeated a number of times that no pipelines had been built from 2006 until 2015. This past week, I think at the Calgary chamber lunch, you changed that. Obviously, you were informed that not only had four major pipelines been built, but they had actually received approval through the National Energy Board.

You now have been saying there have been no pipelines built since 2011. Is it your belief, or is it your information, that there have been no approvals at the National Energy Board for federal pipelines since 2011?

Hon. Jim Carr: No, it's our assertion and our belief that no major pipelines taking natural resources to tidewater were built during your majority government between 2011 and October 19. Is that correct?

Hon. Candice Bergen: Well, it would depend, I guess, on how you look at how the system of pipelines works. There have even been a number of pipelines that Enbridge has built—a couple, actually. One goes through Manitoba that does eventually, through the refinery system down at the gulf coast, get to tidewater.

I guess I would just say that I understand politically the point you are trying to make. Certainly, we have big shoulders. We can bear it. We can defend it and argue it. I do think that for the thousands of people who have worked very hard to build those pipelines, and have invested millions, and in some cases billions, of dollars to build 1.2 million barrels per day of additional pipeline capacity, we as politicians should acknowledge that. You've made your political point, and I do understand it, but I would suggest going forward that we acknowledge and congratulate those companies and those workers who have built hundreds of thousands of kilometres of pipeline, and have increased Canadian capacity.

I'm glad to hear that you do recognize there have been approvals through the National Energy Board. I would say the NEB does work. I think there has been a narrative created over the last couple of months that would hold up what you're trying to do, but I would disagree with that narrative. I think the National Energy Board does work. There's always room for improvement, but I think we should not undermine it and undermine the pipelines that were built under that process.

I want to go to the five principles you talked about. I know your goal was to create more certainty and clarity in the transition process for pipelines that were under approval and other projects. Are you aware that what you've announced has actually created more uncertainty and that there is more confusion? Proponents aren't entirely sure, now that the decision will be a political decision, what the criteria will be in terms of measuring upstream GHGs. What will the cabinet be looking at in terms of actual, real numbers? Where are the goalposts you will want proponents to go through?

Of these five principles, which principle will have more weight? Will it be the views of indigenous people? Will it be community engagement? Will it be GHG emissions? There are five principles. Are they listed in order of weight? What are the exact numbers? We haven't seen numbers. It's very hard to get information. Proponents are probably more confused than ever, so I think they're looking for some clarity today.

Hon. Jim Carr: Under the five principles you have articulated—some of them you have and some of them you haven't—no project proponent will be asked to return to the starting line. That's important because there is a sense of fairness for proponents that have been involved in this for a very long time and who have invested considerable capital in moving these projects forward.

There is not a weighting of 20% or 21% for one and 19% for another. Ultimately, the government will take the recommendations of the National Energy Board and will add a process of its own to more meaningfully consult communities. In the case of Kinder Morgan, we've added four months to the government's timeline in reviewing the National Energy Board process. We're expecting a recommendation sometime in May 2016, and the government will take a decision in December 2016.

There is a separate process for the energy east timeline. The clock hasn't started ticking yet on energy east, but once it does, we've already announced the rules that will govern that process and we will add time for the Government of Canada to do its own consulting, particularly within indigenous communities.

There has been some controversy about whether or not the decision is a political decision. My honourable friends know, as well as I do, that when the government makes a decision, it is by definition a political decision for which it is held accountable. We don't back away from that. That's not the same as politicizing a debate, trying to set regions, interests, sectors, people against one another. We're interested in introducing a credible regulatory process that will lead to a result that carries the confidence of Canadians.

Ultimately, as you know, we will be held accountable for that decision.

• (1600)

Hon. Candice Bergen: How much time do I have, Chair?

The Chair: You have time for one quick question, about a minute.

Hon. Candice Bergen: I understand what you're saying about cabinet making a political decision, but because these five principles are very broad and ambiguous, even as far as the GHG upstream emissions and the control that these proponents have are concerned, and they don't know what the cabinet will be looking at, can you recognize you have now changed it and taken it out of the NEB's hands? Under our government they made a recommendation on northern gateway. We approved it based on those recommendations.

But if you would even tell proponents that you will accept the NEB recommendations that will give them some certainty. Can you understand the uncertainty that is being caused because of the ambiguity and the political nature of the decision?

Hon. Jim Carr: We disagree that the decision is by its very nature political. It comes as a result of the legislative changes that were

passed in an omnibus bill by Parliament in 2012. We can agree that by nature it's a political decision.

On the matter of some certainty, the time frame is certain. The Prime Minister has been clear, and we've said in the House many times that our objective is to move our natural resources to market sustainably. That is the goal. It's not going to happen unless we follow a regulatory process that cuts the mustard and that involves all the elements within these five principles.

That's what we've announced. That's what we'll do and we'll do it within the time frame we have articulated.

The Chair: Thank you, minister.

Mr. Cannings, we'll move over to you.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thanks, Minister Carr, for coming here today. We really appreciate it.

My NDP colleagues and I noted with some concern that your mandate letter makes no mention of the Ring of Fire. It was also missing from the throne speech and the Liberal platform.

This is a tremendous opportunity for northern Ontario that would boost our economy as a whole and create thousands of jobs.

Why is it not on your government's radar? Would you provide the \$1-billion investment that is needed to unlock this project?

Hon. Jim Carr: What is on the government's radar is a whole new approach to federal-provincial relations in Canada.

You know that the Prime Minister will meet the premiers in Vancouver next week for the second time since being elected Prime Minister. The last time the former prime minister of Canada called the premiers to a meeting was January 2009. Seven years, or six years and change, passed between these meetings. How do you have important national conversations when the provincial leaders and the federal prime minister are not at the same table?

I have had the pleasure of speaking either face to face or on the phone with every one of Canada's ministers of energy to talk about the federal role in stimulating a discussion of the Canadian energy strategy which has been so well built so far by the Council of the Federation, the premiers.

I am very keen to have conversations with the Government of Ontario on the Ring of Fire project. We know the enormous potential that it carries. We know where it is at this moment. "This moment" doesn't mean that this is where we'll be in six months or a year. I've reached out to my colleagues.

As many of you, certainly the member for Portage—Lisgar, will know, Winnipeg will be hosting the annual meeting of energy and mines ministers this summer, in August. That will be, if not the first time, then a terrific opportunity for a face-to-face meeting between provincial energy ministers and the federal Minister of Natural Resources. I am keen to have a conversation with northern Ontario about mineral potential there and in other places.

We're keen to work with them collaboratively to ensure that governments are talking to each other, something which for too long, sadly, has not been the case in Canada.

• (1605)

Mr. Richard Cannings: Thank you.

There's also just a passing reference to forestry, when this is a sector that contributes billions of dollars to our economy and employs thousands of Canadians.

What measures will you put in place to support forestry? When do you plan to have a new softwood lumber deal with the United States? What might that look like at this moment?

Hon. Jim Carr: As you know, Minister Freeland has been talking to industry, talking to the provinces, consulting widely on the softwood lumber negotiation. You know that the current agreement expired in October 2015. We're now in the midst of a one-year standstill period. There have been no negotiations yet, but the Minister of International Trade is keenly aware of the importance of this international negotiation. She is immersed in the file, and is having serious conversations right across the country.

The interests are not identical, as you know, from one province to the next, but I know that Minister Freeland is committed to consulting widely and negotiating aggressively, and we would hope successfully on Canada's behalf. We also know that this is often an area of bilateral negotiation that can involve national leaders talking to each other. We know there will be opportunities for that.

You should be comforted to know that Minister Freeland is, to use her word, "seized" of the issue, and she realizes its importance for Canada.

Mr. Richard Cannings: In question period today you were asked a couple of questions about the Site C dam in British Columbia and the consultation process around that.

One of your answers included, "Without that consultation, no energy projects will be approved. We do not repeat failed ways; we look for better ones." You said in your second answer that "this government has done whatever it can to send the signals to indigenous communities across the country that this will be a new era on meaningful nation-to-nation consultations with indigenous peoples." Yet a delegation of indigenous peoples who have been active on the Site C file, who have been part of a camp there, were here last week, and they couldn't get a meeting with any of the government on this. What kind of signal is that sending?

Hon. Jim Carr: I just know how much of my time has been spent with indigenous leaders across the country on resource development issues. We've had three round tables—one in Winnipeg, one in Halifax, and one in Vancouver—and there will be continuing conversations. It has not been possible for me to meet with all of those who requested it, but over time, we'll meet with more and more.

I think the principle is sound, and it's not only the principle; it's the reality of the relationship that indigenous people have with the land and the water. This is a learning experience for all of us who travel across the country and who hear stories from indigenous leaders and community members about the nature of that relationship, the thousands of years over which this relationship has been passed on

culturally through generations, and how important it is to this current generation not only to learn from the elders about what has been bequeathed to them, but also to learn about their responsibility to future generations and how they leave the planet.

Every once in a while I quote this, and I hope I'm not wrong, but the French philosopher Jean-Jacques Rousseau said something like this: the fruits of the earth are for everyone, the earth itself for no one. Without getting in a legal question about property rights, I appreciate the sympathy and the sentiment that the way in which we respect the land, the water, and the wildlife in our own time is one of the measures of how we will be assessed by future generations.

I'm sorry that I can't meet with everybody all the time, but I think I understand the sensitivities and the sensibilities.

• (1610)

The Chair: Thank you.

Mr. Harvey, you're up.

Mr. T.J. Harvey (Tobique—Mactaquac, Lib.): Thank you, Mr. Chair.

Minister, first, I'd like to thank you for coming here today. I'm a new member, so of course I'm nervous. I've written some things down and I'll kind of hop back and forth.

Before I get started, I'd like to say that I live in a riding in New Brunswick, Tobique—Mactaquac, which, as some people in this room are well aware, is a very rural riding that relies heavily on natural resources, manufacturing, and agriculture. During the campaign, I met with a lot of people and we talked about a lot of things. A lot of that was centred around agricultural development and innovations in technology, not just pertaining to agriculture but also to manufacturing and natural resource development, and the path forward, not just within natural resource development but in all sectors.

Before I ask my question, I want to highlight a couple of points that caught my eye as you were speaking. One is "A future built on innovation, and adapting to changing times by finding greener ways to extract and develop our natural resources and get them to market", which I really liked. I highlighted it. For me, that's representative of what I feel we're trying to represent as a party.

The other one which really caught my eye is, "We can no longer have conversations about resource development or economic growth without talking about environmental sustainability." I recognize that natural resource development is an important part of the Canadian economy, but at the same time, as I'm out going door to door and meeting with stakeholders, I recognize not only an opportunity but a commitment from the people in my area, who would like to see these industries developed using environmentally sustainable approaches.

My question is in regard to your meeting with the other ministers a few weeks ago. You met with American and Mexican colleagues in Winnipeg to sign the memorandum of understanding on the North American clean energy collaboration. Can you please elaborate for the committee on the areas of the collaboration that were agreed to by our government with our North American partners as related to Canada's investment in clean energy, energy efficiency, and clean technology?

Hon. Jim Carr: First of all, let me start by acknowledging the good work that was done by the previous government on this file. We did not start the trilateral conversations. There was a memorandum of understanding that was signed in December 2014 which led to some good energy mapping continent-wide that we unveiled in Winnipeg. That work was started by the previous government. We give them credit for that. We built on that good, solid platform in meaningful ways. We have established six working groups, all of which will be led by Canada, the United States, or Mexico, and you mentioned some of them. Key areas include low carbon electricity, clean energy technologies, and energy efficiency. We have a lot to learn from our partners continentally on energy efficiency.

With carbon capture, you know there are some high-profile projects, particularly in Saskatchewan. Carbon capture and storage is very expensive at the moment, but we also know, and everyone who owns a device understands, what you pay for it in year one is not always what you pay for it in year five or year eight. These technologies have front-end costs, but over time they become far more reasonably priced. We believe that will be true in some of the cutting-edge technologies, including carbon capture, use and storage.

As for climate change adaptation, I come from a flood-prone province and we understand too well what this means. Just to harken back, my personal mentor in politics was a Progressive Conservative. His name was Duff Roblin. You may recall the name because he built what was known as “Duff's Ditch”. Duff's Ditch was a \$63-million or \$64-million project that was agreed to by John George Diefenbaker when he was prime minister. He and Duff Roblin were two good Tories, one more progressive than the other. It has saved, in the 50 years that it has been taking all of that excess water from the Red River and channelling it around the city, billions of dollars and countless moments of misery among families. This was a visionary decision about flood mitigation. There will be other opportunities for this government and succeeding governments to have the courage to make a decision that might be unpopular at the moment, but would make sense for generations to come. Adaptation is part of it, and reducing emissions from the oil and gas sector, including from methane.

The three countries will work together to increase alignment and to ensure the North American energy sector is developing responsibly, effectively, and efficiently. We all know that the American administration is working toward a political deadline, and that the political season is well under way, as if any of us haven't noticed. It's going to get more and more intriguing, no doubt. There is a sense at least from our government's perspective that now is a good time to aggressively look at ways of deepening the continental relationship, and that's what we're doing. We're doing it through official groups, and we're doing it with frequent ministerial meetings. In fact, I'll be up early tomorrow morning to catch a plane to

Houston for the CERAWEEK international conference on energy, one of the most important energy conferences in the world. I will either be on panels or meeting with the secretaries of energy from the United States and Mexico again, only a few weeks later, and also with Australia, Israel, and other countries.

We will take the very good start, we think, that we have established trilaterally in North America and also widen the conversation, particularly around mission innovation, which I described in my remarks.

There is a lot more to do, but it's a very good start. I was thrilled, as I'm sure the member for Portage—Lisgar was, to host this meeting in Manitoba, and it won't be the last meeting that we host in Manitoba.

• (1615)

The Chair: Thank you.

Mr. Harvey, we have a few seconds left in your time, but we might have gone over a bit, so I may come back to you.

Mr. T.J. Harvey: Okay.

The Chair: We're in the five-minute round now, so people are going to have to be a bit more efficient with the use of their words.

Mrs. Stubbs.

Mrs. Shannon Stubbs (Lakeland, CPC): Okay, thank you, Mr. Chair. I'll speak fast.

Thank you, Minister, for joining us today on such short notice. I really appreciate it.

Before I turn to questions related to your mandate letter, I want to commend you on your recognition that Canadian mining is recognized as a world leader in sustainable development and innovation, but I want to point out for the record that so is Canada's oil and gas industry. Of course, for decades, both our technology and innovation and our regulatory best practices particularly in Alberta have been exported and adopted in other oil-producing regions around the world. Those technologies have served to enhance energy development while minimizing the environmental footprint and creating jobs and increasing government revenue, and the biggest investors and developers of alternative and renewable energies are, of course, conventional oil and gas developers. So those efforts aren't mutually exclusive.

As you mentioned earlier, your mandate letter from the Prime Minister did say that your overarching goal will be to “ensure that our resource sector remains a source of jobs, prosperity, and opportunity.”

As you know, the oil industry lost 100,000 jobs by the end of 2015, and just last month alone, Alberta lost 22,000 full-time jobs. So people in my rural Alberta and responsibly developed resource-based riding are hurting. They're losing their jobs. They're losing their homes. It's a crisis in Alberta and a crisis in Lakeland, and times are becoming desperate for many. My riding and my province, of course, contribute so much to all of Canada, in large part because of the energy development there.

We know and we all acknowledge that Canada's investment climate is influenced by multiple factors, and we recognize that the downturn in the energy sector is being driven primarily by low global oil prices and global economic crises, but a major impact, of course, is government policy and how that either exacerbates or mitigates those external factors.

In your opening comments, you mentioned a transitional approach, which is by nature uncertain and unstable. The changes you've announced to the regulatory approval process are either not fleshed out in detail or are the ones we know for sure are causing confusion, and they will also add costs and delay and time. Like all sectors, Canada's energy industry requires certainty, predictability and stability from government. Your recently announced interim measures and your indications that more may be coming only increase ambiguity, uncertainty, and instability, and ultimately the cost is jobs are lost. I just wonder how soon Canadians can expect the government to clarify its regulatory requirements in order to ensure that our resource sector remains, as noted in your mandate letter, a source of jobs, prosperity, and opportunity.

• (1620)

Hon. Jim Carr: I want first to acknowledge the innovation within Alberta. People forget that it was actually innovation that led to the development of the oil sands in the first place, and no one on the other side of the House, in questions to me or, as far as I know, to anybody else, has brought up the work of COSIA, the Canadian Oil Sands Innovation Alliance, which is this group of leaders within the oil and gas sector in Alberta who have joined together and have put aside competitive pressures. These are people who are in the same business, competing for the same markets, who are working together, with considerable R and D investment, in order to assist in the transition that everybody knows is a reality internationally and within Canada itself.

I have a lot of faith in the entrepreneurship of Albertans and of Canadians. They've demonstrated it before and they continue to demonstrate it now. We will be making important investments in green technology. It's a campaign platform commitment. We will be working with industry, sector by sector. We'll certainly be working with these entrepreneurs and innovators in Alberta. By the way, people shouldn't forget that when the NDP Premier of Alberta announced her climate change plan, she was flanked by four leaders within the oil and gas sector in Alberta, to the surprise of some, and an indigenous leader. You would think that much other good could come of that kind of sectoral, indigenous, and political movement at the same time and in a similar direction.

Clarity in the principles is what we will do in the interim process, and I am convinced that the capacity of the sector to adapt to international and domestic changes in policy and in commodity

prices will position us very well internationally to take advantage of those changes as they develop.

The Chair: Thank you very much, Minister.

Mr. Tan, for five minutes.

Mr. Geng Tan (Don Valley North, Lib.): Thanks, Chair, and thank you, Minister, for coming to our meeting.

I'm a new member. Some of the members, like me, are new members of the committee, so we are very keen to learn more details about the government's policy and positions. I see that my colleagues know their local issues very well. I have a master's degree and a Ph. D. from the U of T Pulp and Paper Centre. I worked in the pulp and paper area briefly, and then worked in our nuclear industry for 10 years, so I may have some questions to ask you in the future.

As just mentioned by the honourable member, the Government of Canada has introduced the five interim principles to guide its decision-making on the major natural resources projects until there's an environmental process in place.

How is the Government of Canada restoring the public trust in the way Canada reviews and assesses major natural resource projects?

Hon. Jim Carr: It is doing it by having important conversations with communities that are affected by projects, and by understanding the impact of those projects on indigenous practices and indigenous ways.

It's been remarkable as I travel across the country talking to people in the sector and people within indigenous communities and in other communities. No one has really reached out to them before. It is not always a part of a regulator's mandate to reach out. But if we don't reach out, between regulators and governments, to have these kinds of conversations that matter to people, it's very unlikely that we're going to have a successful result.

Personally, Mr. Chair, I'm optimistic. I'm optimistic mostly because of the kind of response and energy I have seen in these roundtables where indigenous leaders, environmentalists, and business leaders are sitting around the same table at the same time talking about the same thing, and in large measure, are ending up at the same place. It is our job to create a set of conditions where that can happen, which I think is the best way to find ways of moving our natural resources sustainably.

The principles will underpin that. Public confidence will be earned by the living-out of these principles by the regulator, by community leaders, and by government. It's our hope that at the end of the process, we'll end up at a better place than we are coming from.

• (1625)

The Chair: Minister, I have my eye on the clock here. I understand that you have to be out of here by 4:30 fairly sharp.

Mr. Barlow, you might not get all of your five minutes, but you'll get close to it.

Mr. John Barlow (Foothills, CPC): Thank you. I'll speak quickly.

Thank you again, Minister, for coming so quickly to our meeting. I really do appreciate that. I want to clarify a couple of things.

You've said that there's been no consultation between the NEB and first nations. There were close to 1,000 meetings on the northern gateway alone. With energy east, there have been close to 500 consultation meetings. I just wanted to clarify that. It's a little disingenuous to say that there have been no consultations on that.

You talked about the NDP government in Alberta. If you were to speak to the Canadian Association of Petroleum Producers and their members about what they felt about that carbon tax in Alberta, it would be a very different answer than what you may think you're getting.

I was really happy to hear you talk about the courage of a government to make what may seem to be an unpopular decision at the time. We've been talking a lot about Alberta and Saskatchewan, but we also have to talk about Atlantic Canada, the impact that the energy downturn has had across Canada.

I don't profess to say that a government can control oil prices, but it can control or mitigate the atmosphere that goes around with that. That includes the confidence for the private sector to invest in that sector.

What really concerned me with the Prime Minister and yourself is that when you've been asked, for example, if the energy east or the Trans Mountain pipeline passes the National Energy Board guidelines and review, you won't commit to it. You talked about the courage to make a decision. You will never get consensus on these types of projects, whether it's a waste-water treatment plant or a pipeline.

Why will you not commit to support the energy east and Trans Mountain pipelines, those kinds of projects, if they pass the National Energy Board criteria?

Hon. Jim Carr: I don't profess to have more than the average dollop of courage, but I can tell you when these decisions are made, not everybody is going to love them.

When I look across the chamber and hear the questions that are posed to us about these projects, never mind about a pan-Canadian framework for climate change, never mind about reforming the regulator, but just about these projects, they are generating a lot of emotion and a lot of division. Politicians of all stripes and from all levels of government are weighing in to express their passionately held views.

If they have the right opportunities to express those passionately held views, then ultimately, you're going to have to hold us accountable for how we assess all of that, because decisions will be made.

Mr. John Barlow: I have almost no time. I appreciate that's a good answer.

The Chair: He's still answering the question. I think you should let him finish.

Mr. John Barlow: I know. I get that and I appreciate it.

Hon. Jim Carr: Go ahead.

Mr. John Barlow: You kind of answered it and that's great.

Last, you talked about the importance of having that partnership with Mexico and the United States, which I think is fantastic. I appreciate your getting to work on that. My concern is, has there been discussion of the fact that the United States has lifted its export bans? It is not talking about a national tax on carbon, but we are. For the producers that we've spoken with, this puts us at a very significant competitive disadvantage. Is that going to be a topic for your discussions?

If we aren't going to be talking about a tax on carbon, is this going to be something that's done with the continental partnership?

Hon. Jim Carr: We understand the importance of the competitive environment. We understand that Canada is an international player and an important one in the energy sector and that we have to be mindful of our national competitive position not only in energy, but all over the place.

For 16 years I was president of the Business Council of Manitoba. Every day we talked about Manitoba's competitiveness. Every day I learned from our province's leading entrepreneurs and risk-takers about the importance of certainty in the business climate. Competitiveness was driving almost everything that we recommended to governments, federal and provincial.

I believe as a member of Parliament, now as Minister of Natural Resources, that Canada's competitive position in an ever-changing international market is absolutely vital. I recognize that and I recognize its importance.

● (1630)

The Chair: Minister, thank you very much. I want to say again how much we appreciate your taking the time to be here today. As a new committee with a new mandate and with a lot of brand new members, this was a meaningful discussion and we're very grateful for your time.

Mr. Hamilton, thank you for coming out today and sitting here very patiently.

We look forward to your coming back at future dates. You're always welcome, Minister, any time you can attend, and we know we'll see you in March. We'll firm up the date specifically. Thank you again.

Hon. Jim Carr: Could I take 10 seconds to say that I am also so pleased with the respectful tone that I have developed with the critics. I think that Canadians appreciate it and I think we have a responsibility to ensure it.

Thank you.

The Chair: Thank you.

We're going to suspend the meeting for a couple of minutes to go in camera.

[Proceedings continue in camera]

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>