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Chair: Mr. George Chalal



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• (1635)

[English]

The Chair (Mr. George Chahal (Calgary Skyview, Lib.)): I call this meeting to order.

Welcome to meeting 104 of the House of Commons Standing Committee on Natural Resources.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, June 6, 2024, the committee is resuming its study of the Trans Mountain pipeline expansion.

Today's meeting is taking place in a hybrid format. All witnesses have completed the required connection tests in advance of the meeting.

I remind participants of the following points. Please wait until I recognize you by name before speaking. All comments should be addressed through the chair. Members, please raise your hand if you wish to speak, whether participating in person or via Zoom. The clerk and I will manage the speaking order as best we can.

I welcome our witnesses with us today: Dr. Kent Fellows, assistant professor, University of Calgary, via video conference; Dwight Newman, professor of law, University of Saskatchewan, by video conference; and from the Canadian Centre for Policy Alternatives, by video conference, Marc Lee, senior economist. We'll give you up to five minutes for opening remarks, after which we will proceed with our rounds of questions.

I also welcome Ms. May and Mr. Garon to our committee today.

Before we begin, it looks like we have a point of order from Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): Chair, I raised the issue that I was going to be bringing forward two notices of motion when we were informed that Pathways Alliance and the Canadian Association of Petroleum Producers were unwilling to participate in our study. Given the fact that, when you receive \$34 billion from the Canadian public, you are accountable, I have a motion ready to issue a summons. However, I'd like to find out whether or not the chair and the clerk managed to come to an agreement to let these operators know that they are accountable to the Canadian people and they need to explain the spending of our money.

The Chair: Thank you, Mr. Angus. We do have some information to provide committee members.

I'll let the clerk provide an update.

The Clerk of the Committee (Mr. Alexandre Vassiliev): Both Pathways Alliance and CAPP agree to participate at our next meeting on this topic on October 2. They'll each have a representative, so one from the alliance and one from CAPP.

The Chair: To be clear, on October 2 Pathways Alliance and CAPP will both be sending representatives. Is that all right? Very good. Thank you.

Before we begin, I want to let the witnesses know I use a yellow card to warn you that you have 30 seconds left, and the red card means that your time is up. I will try not to interrupt you mid-sentence. Do your best to just finish your thought at that point.

Now we begin with our witnesses. We start with Dr. Kent Fellows. You have five minutes, sir.

Dr. Kent Fellows (Assistant Professor, Economics, University of Calgary, As an Individual): Good afternoon, and thank you for the invitation to speak to this committee.

I'm Dr. Kent Fellows, assistant professor of economics and director of graduate programs with the University of Calgary's school of public policy. I oversee our master of public policy and our master of science in sustainable energy development programs. I teach graduate-level courses in economics and regulatory economics, and I maintain an active research program in energy policy, carbon pricing and economic regulation. I'm also a fellow with the C.D. Howe Institute's energy policy program.

I'd like to make two main points today. The first is on why and how governments regulate pipeline tolls and the price charged to shippers for the use of the pipeline, as this has bearing on the value of TMX to its current and future owners. Second, I'd like to comment on the wider benefits of the Trans Mountain expansion.

On my first point, the CER, Canada Energy Regulator, has a mandate to regulate just and reasonable tolls as a remedy to the natural monopoly problem that is inherent in pipeline infrastructure. Each pipeline route in Canada is best served by a single company. Competition on any route would lead to costly duplication; however, a lack of competition can also lead to economic harm, because an unregulated monopolist is able to raise prices and reduce quantities in an effort to maximize its profits.

Prior to 1996, toll regulation followed a cost-of-service model in Canada. This involved regular quasi-judicial hearings to determine specific elements of a pipeline's cost structure and to set tolls accordingly. The process, when done correctly, affords shippers the lowest possible toll while providing the pipeline a fair rate of return on its invested capital. Between 1996 and 2004, toll regulation transitioned to the use of negotiated settlements. Settlements are generally based on a cost-of-service methodology but with additional flexibility and much longer time horizons. This is the current approach to TMX toll regulation. Trans Mountain is currently charging interim tolls that will remain in place until it is ready to apply for its final tolls.

The review and approval of final tolls is the purview of the Canada Energy Regulator. The determination of final tolls is likely the biggest determinant of a pipeline's market value. Higher tolls mean higher costs for shippers, lower shipping demand and a higher valuation for the pipeline, whereas lower tolls mean lower costs for shippers, higher shipping demand and a lower valuation of the pipeline.

If the pipeline is sold before final tolls are approved, the buyer will take on the risk of higher or lower regulated tolls. If the government sells the pipeline after final tolls are approved, the federal government is implicitly assuming that risk.

Now, I will go on to my second point on the economic benefits of the Trans Mountain expansion.

In addition to several grades of crude oil, the Trans Mountain pipeline system ships gasoline and diesel from Edmonton-area refineries to B.C. for domestic use. Between 2010 and 2024, the original pipeline faced demand exceeding its physical capacity. In an unregulated market, excess demand would result in higher prices to equalize quantity demanded and available capacity. This is not possible with regulated tolls. As a result, the Canada Energy Regulator imposes rules to ration capacity across shippers. As a result of these rules, gasoline and diesel shipments on the pipeline fell by 50% between 2015 and 2019.

This led to a reduction in B.C.'s fuel supply and forced fuel wholesalers to substitute to more costly alternatives, specifically, international imports and rail shipments. In the last week of April 2024, before the Trans Mountain expansion opened, Vancouver's wholesale gasoline price averaged 45¢ higher than Edmonton's. In the last week of August 2024, after the pipeline expansion opened, that difference was 17¢. This change is directly attributable to the Trans Mountain expansion.

I will now turn to crude oil. In 2018, a local oversupply condition caused the Alberta price to fall to \$44 U.S. per barrel below the benchmark Texas price. That price difference is usually in the range of \$20 or less. In response to this, the Alberta government mandated production cuts to prop up the Alberta price. This oversupply was related to insufficient pipeline capacity. For every dollar increase in the Alberta crude oil price, Alberta receives an additional \$600 million in annual royalty and tax revenues, with some additional revenues accruing to the federal government.

If the TMX expansion had been in service in 2018, it is likely that Alberta would not have been in an oversupply condition, and

public revenues in the sector would have been billions of dollars higher than they were. TMX has almost certainly cost more than it should have, but there are very significant public benefits both to the private owner and to the general public embodied in its completion and operation.

• (1640)

Thank you, and I look forward to your questions.

The Chair: Thank you, Dr. Fellows, for your opening testimony.

We'll now go to Dwight Newman, professor of law from the University of Saskatchewan. You have five minutes.

Professor Dwight Newman (Professor of Law, University of Saskatchewan, As an Individual): Good afternoon, honourable members.

Thank you for having me appear in relation to this important study.

My name is Dwight Newman, and I'm professor of law at the University of Saskatchewan. From 2013 to 2023, I served the maximum 10 years as a Canada research chair in the area of indigenous rights in constitutional and international law. I've published various works related to the intersection of indigenous rights and resource development, as well as on some resource development law issues more generally and on Canadian constitutional law more broadly. As in all of my parliamentary committee appearances, I appear entirely in a personal capacity.

In trying to understand what happened with the Trans Mountain pipeline expansion project and the cost increases, one particular lens I would offer is that of the effects of legal uncertainty, various government interactions with that uncertainty and the resulting delays and other problems. In essence, the project started very late compared to when private industry was ready to build it, which arguably contributed to inflationary costs, and its construction was in significantly changed market conditions.

A key moment in relation to the Trans Mountain project was the August 30, 2018, Federal Court of Appeal decision, quashing the Governor in Council's approval of the project. That decision was based significantly on failures in late-stage consultation steps within the project, which was after the National Energy Board joint review panel stage and prior to the Governor in Council approval. As it happened, by coincidence, 30 minutes later, Kinder Morgan shareholders voted overwhelmingly to approve a previously negotiated sale of the project to the Government of Canada.

However, to understand what led to these moments, we need to back up in time. In June 2016, there was what many considered a more surprising decision by the Federal Court of Appeal to quash the June 2014 approval of the northern gateway pipeline. I say it was considered surprising not because the Federal Court of Appeal said dramatically new things about the duty to consult, but because it applied the law of the duty to consult in ways that weren't expected by most observers. In doing so, the court also sought to offer a clear path for correcting the errors in a reasonable time frame. However, the government in place by the court decision in 2016 was less supportive of the northern gateway pipeline and chose not to take that path and instead chose to effectively end the project, which was a decision announced in November 2016.

During the same period, the government also sought to modify the approach to consultation for the Trans Mountain project, even extending the time period for final GIC approval, so as to comply with the new expectations set by the Federal Court of Appeal in the northern gateway decision. However, it failed to do so adequately, and the final phases of consultation on Trans Mountain, ahead of the GIC approval, were determined to be legally inadequate. In November 2016, the Governor in Council put its eggs in the Trans Mountain basket, but with the government having failed to take all of the lessons from the northern gateway pipeline, the eggs came cracking down in August 2018.

During a contemporaneous period, it's worth adding that British Columbia, which had previously approved Trans Mountain from a provincial perspective under a previous government, had a new government that was less supportive and that passed legislation in April 2018 aimed at stymying the pipeline in many ways. It then launched a reference on the constitutionality of that legislation. That legislation was struck down by a unanimous British Columbia Court of Appeal in May 2019, and that decision to strike down the legislation was upheld in a one-line unanimous judgment of the Supreme Court of Canada in January 2020. Along with various steps taken by municipalities at the same time, British Columbia helped to create an intervening period of uncertainty, during which Kinder Morgan was thinking of abandoning the project and ultimately came to the decision to sell the project when that became an option from the federal government.

During that time, there were many discussions on ways in which the federal government could try to act to re-establish legal certainty for the project, but it didn't follow some of the suggestions that were out there, including Senator Doug Black's Bill S-245, which made its way through the Senate but didn't get through the House. In any event, it had ceased to be relevant by the time it was there.

• (1645)

A mixture of legal uncertainty, government interactions with that uncertainty and various resulting delays, in my view, contributed to the project going forward much later than it would have with a private developer and, thus, led to inflationary costs and to the project being built in different market conditions.

The Chair: Thank you, Mr. Newman.

We will now go to Mr. Marc Lee, senior economist from the Canadian Centre for Policy Alternatives. You have five minutes.

Mr. Marc Lee (Senior Economist, Canadian Centre for Policy Alternatives): Thank you, Mr. Chair, and thank you for the invitation to speak to the committee.

I come to you as someone who has consistently been opposed to the expansion of fossil fuel infrastructure because of the existential challenge to humanity posed by climate change. While Canada has made some progress towards transitioning to a cleaner energy economy, the Trans Mountain pipeline expansion symbolizes the contradictions in Canada's climate policy. TMX opens as a project that could not be more ill-fitted for the current moment in history.

I'm pleased this committee is looking into how costs could get so out of control. I am personally puzzled at how so many could have signed off on much lower cost estimates over the past six years. From an original estimate of \$5.4 billion in 2013 and \$7.4 billion when the federal government took over in 2018, final TMX costs, as you know, have been revised up to \$34.2 billion. Only a small portion, about \$1.4 billion of this massive increase, is attributed to flooding and landslides in 2021, other extreme weather events and two years of COVID measures. The remainder is a long list of "project enhancements...schedule pressures and [higher] financing costs."

Clearly, megaprojects like these can't be guided by wishful thinking alone. They require comprehensive and independent assessment before any approvals are made.

The implications of the cost overruns are stark. A current concern is that Trans Mountain will provide ongoing public subsidies to the oil and gas industry by undercharging tolls for shippers relative to tolls that would break even on operating and capital costs. A new study just out by Tom Gunton at Simon Fraser University estimates the subsidy to Canada's oil industry at between \$9 billion and \$19 billion. This is based on comparing Trans Mountain's interim tolls to what a private sector firm would charge to cover operating and capital costs.

Final tolls will be determined in early 2025. It's imperative that the Canada Energy Regulator ensures cost recoveries are either built into those tariffs or, as suggested by Gunton, into a specific levy per barrel—or *ad valorem*—on western Canada oil production.

For the industry, these higher tolls of up to nine dollars per barrel over the previous Trans Mountain pipeline will diminish gains from higher prices for exports by reducing the spread between Western Canada Select and WTI. There has been little apparent effect from TMX so far, though of course we are still in early days of operation.

Local impacts are also notable. Werner Antweiler from the University of British Columbia estimated that the increase in tariffs, which apply to the old and new pipelines alike, will increase the local price of gasoline by six cents per litre, costing an additional \$222 million British Columbia-wide per year.

In terms of greenhouse gas emissions and the proposed emissions cap, if TMX successfully expands Alberta's oil production, it will lead to additional carbon emissions. I estimated that TMX would facilitate about 84 million tonnes per year of CO₂ emissions, with 25 million tonnes upstream and 59 million tonnes exported. While most of those emissions will be in other countries and will not therefore be counted in Canada's GHG inventory, even the domestic emissions in Canada associated with this export growth will make it nearly impossible for Canada to meet its 2030 GHG target of 40% to 45% below 2005 levels.

Also not counted in terms of costs is the potential damage to land or water from a pipeline or tanker spill. Such a spill would impose billions in cleanup costs, affect employment and devastate ecosystems. The greater presence of tankers in Vancouver Harbour is already notable. On the other hand, if the world is successful in acting to reduce greenhouse gas emissions, the need for TMX would vaporize and we would be left with a stranded asset before the end of its useful life.

In sum, TMX is a pessimistic bet that the world will not get its act together on climate change. Thank you.

• (1650)

The Chair: Thank you for your opening remarks.

We will now proceed with our first round of questioning. We will start with Mrs. Stubbs for six minutes.

Ms. Stubbs, the floor is yours.

Mrs. Shannon Stubbs (Lakeland, CPC): Thank you, Chair.

Thank you to all of the witnesses for being here today.

Let me say a special thank you to the second witness who spoke absolute truth to power, outlining what actually has happened in the case of TMX. It is, in fact, a government failure to enforce federal legal and jurisdictional certainty so that a private sector proponent could see its way through to building crucial and critical economic infrastructure for this country.

Conservatives have always supported the completion of the Trans Mountain expansion, but did not believe that a single taxpayer should be spent to have it built. Conservatives believe that attractive investment conditions must be set for the private sector to be able to take the risk and to make investments to create jobs, economic infrastructure, resource production and exports, which are critical to Canada and to the security, sovereignty and affordability of citizens in the free world in particular.

Thank you for making it clear that, in fact, the horrendous mistake was the current Prime Minister's choice to unilaterally veto the northern gateway pipeline proposal, which was supported by all. It directly impacted indigenous communities at the time, in both provinces. It was the only private sector stand-alone pipeline for exports that are critical for Canada. The truth is that now, of course,

this crucial economic infrastructure is going to cost taxpayers dearly because of the current government's failure to not take the option that the court said to on the northern gateway. This was that they could redo the indigenous consultation, which the court said was insufficient because of the lack of a two-way dynamic and a decision-maker at the table.

Fast-forward, the Liberals didn't do that. The Prime Minister went out, unilaterally vetoed the northern gateway pipeline and didn't take that option. They should have, because then they would have been able to get that right, take the instructions of the court and then front-end it and ensure the successful completion of TMX. Actually, they interfered in all the ways that you said.

I asked for unanimous consent for the Trans Mountain expansion to be declared in the general advantage of Canada four times in the House of Commons. I asked the federal government to assert legal, political and jurisdictional certainty, so that the obstruction from other levels of government could be addressed and the private sector could go ahead and build that federally approved pipeline, in the federal interest. To be clear, it was members of the other parties who denied that request for the TMX to be declared in the general advantage of Canada multiple times.

Thank you for telling the truth.

Please also know that you should, and can, submit written submissions for anything you don't get on the table today. I urge you to do that because this is the most crucial question for the Canadian economy.

Today, right now, I do want to move the following motion that I gave notice of on Friday, September 13, because it is critical for all Canadians. The motion is:

That the committee invite the Minister of Natural Resources and the Minister of Environment and Climate Change to appear before the committee, separately, for no less than 2 hours each, within 14 days of the adoption of this motion, in relation to their priorities for the return of Parliament and their mandates.

It is this topic and all others that make this request absolutely crucial. I would expect that every member of this committee will support this motion, so that we can hold to account the people who have actually made all of these decisions that have driven Canadian investment out of Canada and into the U.S. These decisions have driven Canadian jobs, businesses, technology and talent from Canada into the U.S. This is primarily driven by the government-caused collapse of confidence in Canada as a place where the private sector can build big projects on time, at their own cost and for the best interest and public interest of the whole country.

• (1655)

It is actually these two federal ministers who must come to this committee to account to Canadians why, after nine years, Canadian jobs, Canadian businesses, Canadian money and Canadian investment are going to the United States. In fact, there has been a \$500-trillion net outflow from Canada to the U.S. since 2015. That's not a coincidence.

That is why this is so important. That is why I would urge every single member to support this motion to get these ministers here so that, on everything that these expert witnesses have talked about today—and thank you, on behalf of all Canadians, for doing that—and all of the other ways that this current federal government's anti-private sector, anti-resource development agenda has harmed Canada, has harmed Canadians, has actually undermined Canadian allies all around the world.... It is these ministers and this government who need to be accountable to Canadians. That's why I expect that every single member of this committee certainly would support the adoption of this motion.

Make no mistake that the truth is that the energy sector remains an outsized contributor to jobs, to job creation, to business growth and to indigenous work opportunities. Canadian energy and resource development, production and exports to the world are good for all of Canada, are good for the world. Canada needs to be able to be energy self-sufficient and energy secure, and Canada must be able to provide resources and energy to free and democratic allies around the world.

Canada can help global emissions decline with Canada's energy, Canada's resources, Canada's technology and Canada's talent by being able to create jobs, produce resources and send that technology, those resources, those jobs and all of the innovation and the expertise in every single aspect of energy development...for which Canada has been world-renowned for decades as the undisputed expert. That was before the current government incrementally betrayed Canadians, betrayed our country and betrayed our allies around the world. They have driven up the costs of fuel and power—essentials to everyday life in our cold, big, expansive, diverse country.

Canadians cannot afford to eat, heat, house or drive themselves because this government in the last nine years has talked out of both sides of their mouths, has said anything to anyone, anywhere. They contradict themselves all the time. They give different messages in different parts of the country. Make no mistake; they have already said that their intent is to keep Canadian energy in the ground. That's what the Prime Minister said. That is the objective.

That is what this government has done incrementally over nine years in every possible way—

• (1700)

Ms. Yvonne Jones (Labrador, Lib.): I have a point of order, Mr. Chair.

Mrs. Shannon Stubbs: —with the backing of the other anti-energy, anti—

The Chair: Mrs. Stubbs, if I could ask you to hold for one second, we do have a point of order.

Ms. Jones, go ahead on the point of order.

Ms. Yvonne Jones: Thank you, Chair.

I just want it noted, please, that the Government of Canada currently has done more to diversify the energy portfolio than any other government in its history. Also, I'll remind the member opposite that they did not build a pipeline to tidewater anywhere in this country in the 10 years they had in office.

The Chair: Thank you, Ms. Jones, for your point of order.

Folks, I have to hear our colleague before I can say it's a point of order or not a point of order. I would just let all colleagues know that they should use points of order for points of orders, not debate.

Please, when we do have members online, let me listen so I can hear the point the individual's making before I can render a decision.

Is that all right?

Mr. Ted Falk (Provencher, CPC): Did you render a decision? Is that a point of order?

The Chair: Mr. Falk, I just asked members not to use the opportunity to use a point of order for debate.

I'm going to go to Mr. Angus on a point of order.

Mr. Charlie Angus: Yes, it's a point of order. It's not a point of debate.

I certainly don't have a problem with the motion that's brought forward, but I do want to hear from witnesses. I want to reassure the witnesses that I will do what I can so we don't waste their time. I'm hoping we can get this thing settled.

The Chair: We've heard the points of order.

Just to let the witnesses know, we do have a motion on the floor. When a motion is presented on the floor, we hear the motion and there could be debate.

I'm hoping that my colleagues will have an opportunity to debate. We have a number of people in the speaking order and once we get through that, we'll get back to you. If my colleagues believe that this might take a bit longer, we will discuss at that time whether you can continue to stay on or whether we'll release you.

If you can continue to stay on for a short period of time, hopefully we can get to questions. We will advise if the committee decides that we can release you for the afternoon.

Thank you for your patience.

Mrs. Stubbs, I will go back to you.

Mrs. Shannon Stubbs: To the colleague who made the comment about governments building pipelines, therein lies the problem. This government wants to pretend that the only way it's possible for pipelines to be built in Canada is for the government to buy and build them. The Conservative vision is that regulatory and investment conditions will attract private sector investment, and that Canada will maintain, as it always has, world-class diligence, scrutiny, regulatory enforcement, science and traditional knowledge. Canada has always been revered and known around the world for decades for that expertise—ironically, before this Liberal government came to power in 2015.

The truth is, of course, that multiple private sector proponents submitted pipeline proposals under the previous government because, at that time, they knew it was a government that, if the private sector met the regulatory requirements and could prove the economic, public and environmental interests of their proposal, with clear, timely conditions and decisions, they could go ahead and get their big projects built once the federal government approved it. The truth is that there were multiple private sector proponents submitting, spending multiples of millions of dollars over years and years, and were supported by indigenous entrepreneurs in local indigenous communities and by citizens in every place where these proposals were made.

It is possible for big, important infrastructure of all kinds to be built without the government putting taxpayers on the hook. It must be the government that executes its duty and responsibility in its jurisdiction, but it ought to be the private sector proponents that take the risk, spend the money and build this infrastructure to the benefit of our whole country. If this government would actually allow Canada to expand its production of oil, LNG and other energy and resource products and technology, which the world has been begging Canada for.... The only person who has constantly said there's no business case for it is, of course, this current anti-energy, anti-private sector Prime Minister of the anti-energy, anti-private sector NDP-Liberal-Bloc government of the last nine years.

It is alarming to me that a current government member of Parliament thinks that governments have to build and pay for pipelines, because the government's money isn't its own: It's taxpayers' money. It is unconscionable and ridiculous, in the case of TMX, that taxpayers are now on the hook. As these experts outlined, it's an asset that the government never had to buy and that actually resulted in a five-year delay on the start-up time and ballooning costs with, frankly, no clarity on how in the heck taxpayers will ever be made whole. This is all the fault of this government.

• (1705)

Hindsight is 20/20, but they were warned repeatedly by Canada's Conservatives. It's the only party over the last nine years that has repeatedly and consistently pointed out that energy and natural resources development, and the oil and gas sector in particular, is the biggest private sector investor in the Canadian economy by a long shot. This is just reality. That's the truth. It's to the benefit of every government and every citizen of this whole country.

Prime Minister Trudeau had a choice. He could have taken the option the court gave in the case of northern gateway. He could have restarted the indigenous consultation—which the court said

was an option—gotten it right, and then approved what at that point was the private sector proponent's application for a stand-alone export pipeline.

This is important because if that had happened, it is clear that the northern gateway would have been well on its way if the Prime Minister had chosen, as the court had allowed, to redo the indigenous consultation on northern gateway.

By the way, all indigenous communities directly impacted by the northern gateway pipeline supported it and also were counting on the various deals they had negotiated hard for with the private sector proponent. It is true this Prime Minister didn't consult those indigenous people when he unilaterally vetoed the northern gateway pipeline that had been previously approved by the former government. He didn't take the option to get that indigenous consultation right and ensure that stand-alone export pipeline to Asian markets, which actually would have allowed Canada to deliver its energy and our technology where it is needed.

Instead, he vetoed it. Then, exactly as has been pointed out, the court made almost the exact same recommendation on the Liberals' failures on their indigenous consultation on TMX. It was this Prime Minister who killed those pipelines.

After nine years, it's clear that it is this government that is trying to pretend to all Canadians and to the world that this is just the way it is and that this is how things happen.

It's not at all true. This has choices and consequences. He should have taken the option and gotten the indigenous consultation right on northern gateway. That stand-alone export pipeline would be built and operating, with diversified markets in Asian countries that need our resources desperately, to the benefit of every Canadian. Then that would have been right. That would have been front-ended and the government would have done its job on TMX. It's this government that failed on the indigenous consultation on TMX later on. That's what the court said.

This government, even when the court told them they had failed on TMX, delayed and dithered—

• (1710)

Mr. Charlie Angus: I have a point of order.

The Chair: Mrs. Stubbs, I'll ask you hold on for a second.

We'll go to Mr. Angus on a point of order.

Mr. Charlie Angus: We've brought some very credible people who have better things to do with their time than to listen to the surreal shows we spend our time on. I would ask that we let them carry on with their lives and do really important things for the country, while we sit and play these political games.

Just as a matter of respect, I think it's fair to ask to dismiss them and then we'll carry on.

The Chair: Thank you for your point of order, Mr. Angus.

Colleagues, Mr. Angus has asked that we release the witnesses. Is everybody fine with releasing the witnesses?

I don't see any objections to that. I would ask—

• (1715)

Mr. Jeremy Patzer: Chair, we haven't even finished the first hour of the meeting yet, so I would say to maybe just hang on a little bit longer.

The Chair: Okay. I think there's an appetite to end this fairly soon; I'm not sure. I have quite a long speaking order. I'll ask colleagues how you want to proceed. Should we wait a little longer before releasing the witnesses?

Witnesses, can you stay a little bit longer? Can you give me a thumbs-up if you can?

Okay, we'll provide you an update as soon as we can. If it seems like we are continuing, then we will release you at that time. If not, be patient and think about whether you would like to provide a brief to the committee. You can provide a brief as well.

Thank you.

Thank you, Mr. Angus.

We'll go back to Mrs. Stubbs.

Mrs. Shannon Stubbs: I believe that the witnesses who are here today have already explained why this is the most crucial issue, and what I am trying to reinforce is the point that it's this government that needs to be held to account. These ministers need to be held accountable, because they've been the government and the decision-makers for the last nine years.

What has happened is that investors, entrepreneurs and businesses, because of this government.... They want to invest in Canada. They want to build infrastructure. They want to create powerful paycheques for all people in all communities. They want to pay their taxes, their royalties and their revenue to all three levels of government from their responsible development of energy and other natural resources. They must be able to develop it. They must be able to export it. The loss of hundreds of thousands of oil and gas workers' jobs.... By the way, 90% of oil and gas businesses in Canada are businesses with 100 employees and fewer. Those are Canadian homegrown energy businesses.

The Chair: Yes, go ahead, Ms. Dabrusin, on a point of order.

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): Perhaps, just as a friendly suggestion, because I heard they're not ready to release the witnesses, maybe Mrs. Stubbs would hold the debate on her motion until after we've had a chance to hear from the witnesses. Then we could go back to her motion.

The Chair: Thank you, Ms. Dabrusin, for the point of order and that suggestion.

Mrs. Stubbs, you do have the floor. Ms. Dabrusin has suggested that we have an opportunity to question the witnesses and then release them, and then you could continue on with your debate on your motion. You do have the floor, so I want to give you the opportunity. If we can do that, we can do that and come back after a full round of questioning with the witnesses, but if you would like to proceed, I'll let you comment on that.

Mrs. Shannon Stubbs: Thank you for the feedback. For the people of Canada, I'll proceed.

The truth is that's baloney. It's baloney because there are witnesses here today, like the first guy and the second guy, who've been saying the same thing for nine years, and this government hasn't listened. They don't care, because the truth is that this Prime Minister was.... It wasn't a gaffe. It was true when he said that he wanted to shut down Canadian energy and keep it in the ground. That's why he's in such a mess.

Mr. Charlie Angus: I have a point of order.

Mrs. Shannon Stubbs: That's why nothing adds up.

The Chair: Mrs. Stubbs, I'll ask you to pause for a second. We have a point of order from Mr. Angus.

Mr. Charlie Angus: One of the things about respect for witnesses.... I often hear witnesses with whom I strongly disagree, but the respect of the committee.... To call them guy one and guy two, to me, is complete disrespect. It's Dr. Kent Fellows, assistant professor, University of Calgary; Dwight Newman, professor of law, University of Saskatchewan; and our third witness Marc Lee, senior economist.

Again, I implore my colleague. She can carry on for as long as she wants, but we could let these three respected economists go and maybe bring them back at a time when we can get the insights they so rightly should be sharing with us for this important study.

• (1720)

The Chair: Thank you, Mr. Angus, for that.

Once again, folks, I know the witnesses have acknowledged they could stay a bit longer. After Mrs. Stubbs is done, there are a number of people on the speaking list. I'm not sure how much time it will take. The suggestion from Mr. Angus is that we release the witnesses because we don't know how long this is going to take. I know the witnesses say they could stay a bit longer.

If you're open to staying right until the end, that's up to you. We're happy to keep you here.

Mrs. Shannon Stubbs: Chair, they have already answered that.

The Chair: Yes. However, we have a number of people in the speaking order.

Mrs. Shannon Stubbs: Actually listen to the witnesses. They've already answered it.

The Chair: Just to confirm, you're good to stay until—

Mrs. Shannon Stubbs: This is exposing my exact point. None of you are interested in listening to them, anyway.

The Chair: Witnesses, again, are you good to stay until the end? I'm looking at the screen.

They're fine. It seems as if they are fine to stay. We want to provide that courtesy to them.

Thank you.

Go ahead, Mrs. Stubbs.

Mrs. Shannon Stubbs: Thank you.

Thank you, Charlie, for the opportunity to clarify. I appreciate it because, make no mistake, I deeply respect every single one of them—just to be clear. I apologize if any of them took offence for the way I referred to them.

What is obvious is this: Experts here have laid plain that it is government uncertainty, government interference and government's changing the goalposts that make it so the private sector can't build projects. It stops them with gatekeepers, changing goalposts, uncertainty and new conditions. Over these entire nine years, this government has deliberately, in every way.... To be clear, this is a travesty, and it is heartbreaking. It is a real human issue because it has hurt people and communities over nine years. It is government interference and uncertainty. This is deliberate. It is obvious this has been deliberate for nine years. Like, the jig's up here. I think it's obvious. It ought to be obvious.

The truth is that these witnesses ought to be listened to. They don't just speak here. They are available. They have been out there. They are experts. They've been doing this work. They've been offering this advice. They've been making these statements for nine years. The truth is that the current Prime Minister and these ministers don't care. That's actually the truth. They don't want to hear. That's why they're suddenly pretending they now want to hear from these witnesses, who are speaking the truth. That's why they're pretending the only place they can hear from them is in this committee, where we pretend that five minutes allows them sufficient time to make the complex and crucial points they need to make.

This anti-energy, anti-private sector, anti-resource development and, frankly, anti-Canada government, which has been in place for nine years, is the problem. These experts just pointed that out and they've been saying it. The truth is that the official opposition, Canada's Conservatives, have also been saying it non-stop for 10 years. I have no doubt that all the witnesses here, even if they have different perspectives, have already said how important this issue is.

Thanks for that.

After nine years, this is the truth. The current government has betrayed and sold out Canadians.

• (1725)

[*Translation*]

Mr. Jean-Denis Garon (Mirabel, BQ): I have a point of order, Mr. Chair.

[*English*]

The Chair: Mrs. Stubbs, we have a point of order from Mr. Garon.

[*Translation*]

Mr. Jean-Denis Garon: I am not a member of this committee, and I hold my colleague in great esteem, as she knows. However, I must say, with all due respect to her, that we were debating a motion to invite the ministers to testify. So I would like to know when our colleague will get back on track and talk about this motion. It seems to me that the Standing Orders require that the comments be relevant and related to the motion being discussed. However, it seems to me that my colleague is straying a little from the subject. Could she tell us when she intends to discuss her own motion?

[*English*]

The Chair: Thank you, Mr. Garon, for the point of order.

Mrs. Stubbs, I think he wants to make sure we're on the substance of the motion. If you could, please make sure that, as you present your motion, you speak to the substance of it as well, as you proceed.

Thank you.

Thank you, Mr. Garon.

Mrs. Shannon Stubbs: Thank you, Chair.

Of course, here's the twilight world we're in, because I did read the motion at the beginning. We all heard it. It's in writing. It is:

That the committee invite the Minister of Natural Resources and the Minister of Environment and Climate Change to appear before the committee, separately, for no less than 2 hours each, within 14 days of the adoption of this motion, in relation to their priorities for the return of Parliament and their mandates.

That is what I said a few minutes ago. I hope that helps.

The reason I am making this argument and the reason it is directly linked to the topic that we are dealing with today and that all of these experts are trying to talk about.... That's why I'm making this argument. That's why it's completely relevant. That's why it's totally connected. That's why we're talking about this. Is that good? Okay. Is that clear? Okay, thanks.

I hear a colleague snickering. I want to explain why this matters so much.

Mr. Charlie Angus: I have a point of order.

Mrs. Shannon Stubbs: It is because energy and resource development—

The Chair: Mrs. Stubbs, we have a point of order from Mr. Angus.

Mr. Angus, go ahead on the point of order.

Mr. Charlie Angus: I think all my colleagues would agree I'm a pretty patient guy. Heck, when I came in this afternoon, my hair was still dark brown, but I did not hear any snickering. I think it's really unfair to put into the record falsehoods as though people aren't taking Mrs. Stubbs' flights of fancy seriously. There was no snickering. I think it should be on the record, unless there's a different definition of snickering, and it's also beside the point. If we're not going to continue to waste our valuable witnesses' time—

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): I have a point of order, Mr. Chair.

Mr. Charlie Angus: —then I would say, instead of these asides and slurs, that she just get to the point so we can vote one way or the other and then get back to witness testimony on something that is very important.

The Chair: Mr. Angus, we have a point of order from Mr. Patzer.

Mr. Patzer, go ahead on the point of order.

Mr. Jeremy Patzer: Thank you very much.

I would just like to acknowledge that I did actually also hear somebody snicker at the table here. I would just suggest that people should be respectful of colleagues when they have the floor.

Thank you.

Mr. Charlie Angus: Okay, now I'm snickering, but not then. I'm snickering now because it is kind of getting surreal.

The Chair: Thank you, Mr. Patzer and Mr. Angus, for your points of order. I do now have a point of order from Ms. Jones.

Before I go to you, Ms. Jones, I would ask all colleagues to treat all colleagues...and give them the opportunity to speak and not interrupt them where possible, because focus and attention to their debate is quite important as we listen intently.

I'll go to Ms. Jones on her point of order.

• (1730)

Ms. Yvonne Jones: Thank you, Mr. Chair. I want to speak to the point of order that was raised by Mr. Angus.

There have already been enough falsehoods recorded in this session of the meeting so far. I don't think we need to have snickering on the record. I'm online and I can tell you I'm looking at all the people who are online. No one has been snickering. No one has been making any comments whatsoever. In fact, I'd love to hear the witnesses make some comments as opposed to having Mrs. Stubbs' words in their mouths continuing to reverberate what she believes their opinions are.

I think that if we're not going to move forward with our witnesses today, I'd like to move that we suspend.

The Chair: Thank you, Ms. Jones, for your point of order. We cannot move a motion on a point of order, but that is taken under advisement, I guess. Colleagues, as they have the opportunity, will do that as we move forward. Thank you for your view of the committee and for not noticing anything unusual.

I have Monsieur Garon on a point of order.

Go ahead, Monsieur Garon.

[*Translation*]

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

On the point of order, to my great surprise, Conservative colleagues are telling me that what we are currently debating may apply to me. I do smile at this table from time to time. We have asked our assistants to check the standing orders, but I would like to know

if there is a standing order that prohibits us from being in a good mood. I find that Ottawa is lacking in cheerfulness. I would be surprised if there were such a rule, but can the clerk check whether the standing orders still allow cheerfulness in committee?

[*English*]

The Chair: Thank you, Monsieur Garon.

Before I go to the clerk, it's okay to smile. I think smiles are welcomed.

I'm going to go to you, but I want to ask this because Monsieur Garon did ask a direct question to the clerk.

Did you catch that?

Do you want to repeat yourself, Monsieur Garon, just so the clerk can hear?

He asked a direct question on a standing order, so it's regarding that. I just wanted you to—

[*Translation*]

Mr. Jean-Denis Garon: I asked the clerk to check whether there was a standing order that prevented us from smiling because, unfortunately, that would take away half of my personality and make my wife very sad.

[*English*]

The Chair: I don't believe there is, but would you like to ask the clerk to respond...? No.

[*Translation*]

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

I thank the clerk, as well.

[*English*]

The Chair: Thank you, Monsieur Garon.

Go ahead, Mr. Angus, on a point of order.

Mr. Charlie Angus: Thank you.

I have not taken the time to welcome Monsieur Garon as a substitute. I feel his presence is really helpful, especially his good humour.

I'm glad that you clarified that smiling is not against the rules here, but the question is whether someone snickered. I think snickering invokes something that is more mean-spirited than smiling, and I did not hear snickering from Monsieur Garon. I saw a smile, and I thought it was helping to bring us together, but I did not hear snickering. If he did not snicker, and I haven't seen anyone else saying they snickered, then it does raise the question whether the Conservatives are continuing to hallucinate, and it feels like we're in this very strange hallucination, or if they are putting forward falsehoods, which would undermine our credibility as parliamentarians in having it on the record.

I would like to clarify, for people who will study this in school 100 years from now, what happened to Canadian democracy. People could still smile, but people weren't necessarily snickering.

The Chair: Thank you for your points of order, colleagues, and for your interpretations of smiles and snickers.

I would ask colleagues to focus on the motion at hand and to get back to what we are discussing, which is the motion, so we can get back to our witnesses. It's always a good reminder not to use points of order for debate purposes. I think all our points of order are dealt with.

Now, I'm going to go back to you, Mrs. Stubbs.

Go ahead. The floor is yours.

Mrs. Shannon Stubbs: Now all Canadians have seen the truth because every single member who just intervened took up all this time talking about snickering while they simultaneously said they wanted the witnesses to testify. They won't let me get to my point because they keep delaying and interfering, and in—

• (1735)

Mr. Charlie Angus: I'm sorry. I want to admit that now it is officially a snicker.

The Chair: We are going to suspend.

• (1735)

_____ (Pause) _____

• (1745)

The Chair: I call the meeting back to order.

For the folks online, we are back from the suspension. We have lost a witness. The discussion for today's meeting...I think we have lost control of the meeting and we have lost a witness, so I'm going to see if there's consent from folks here to conclude today's meeting and adjourn.

Some hon. members: No.

The Chair: There's a majority, from the show of hands, so we are going to adjourn.

The meeting is adjourned.

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