

# Vaughn Palmer: With infrastructure as the carrot, an oil pipeline consensus emerges

But working group report's suggestions on education, First Nations have a 'too little, too late' flavour

BY VAUGHN PALMER, VANCOUVER SUN COLUMNIST JANUARY 27, 2014



Despite their at-times rocky relationship, Premier Christy Clark and her Alberta counterpart Alison Redford appear to be seeing eye to eye these days, if the working group's report is any indication.

**Photograph by:** JONATHAN HAYWARD, THE CANADIAN PRESS

VICTORIA — British Columbia would be in line for increased federal investment in ports, rail, roads, airports and other infrastructure, should the recommendations of a B.C.-Alberta working group bear fruit.

[http://www.gov.bc.ca/mngd/doc/BC-Alberta\\_Working\\_Group\\_Report\\_Premiers.pdf](http://www.gov.bc.ca/mngd/doc/BC-Alberta_Working_Group_Report_Premiers.pdf)

Those high hopes are laid out in a 23-page progress report from a joint team of public servants, appointed last summer and given the delicate task of patching up the breach between the two jurisdictions over heavy-oil pipelines that emerged prior to the last B.C. election.

The report was released Monday, having been delivered Dec. 20 to Premiers Alison Redford of Alberta and Christy Clark of B.C. The month-long holdup probably had more to do with both premiers being on vacation than on any disagreement over the contents.

For the report strongly underscores an emerging consensus between the two governments on energy issues, including on the issue that provoked the split: Clark's insistence on B.C. needing a greater share of benefits from shipment of heavy oil through the province, which was seen by Redford as a bid to skim her province's petroleum royalties.

“The provinces agree that British Columbia has a right to negotiate with industry on appropriate economic benefit,” says the report, echoing what the two premiers said when the working group was announced. “Both provinces reaffirm that Alberta’s royalties are not on the table for negotiation.”

Then comes a segue: “Together, British Columbia and Alberta will examine specific infrastructure needs and governance to obtain access to the West Coast. British Columbia and Alberta will engage in negotiations with the federal government to determine the financing necessary to achieve access.”

All part of a bid by the two provinces to take advantage of the federal government’s stated goal of exploiting western Canadian resources to turn the country into an energy superpower with a focus on the Asia-Pacific trade.

While the report also deals with the need for tougher measures to minimize the risk of oil spills on land and in the sea, the two governments would appear to have made the most progress in expanding their economic horizons beyond both the Enbridge Northern Gateway pipeline and the proposed twinning of the existing Kinder Morgan line.

“British Columbia and Alberta share goals with respect to opening markets, expanding export opportunities for oil, gas and other resources, creating jobs and strengthening the economies of both provinces and Canada through the development of the energy and natural resource sector,” says the report.

“While both parties agree that Canadians including British Columbians benefit (jobs and tax revenues) from crude oil exports, it is also true that the taxpayers of British Columbia should not bear the full cost of ports, pipelines and other infrastructure to service the export of goods.

“In order to access Asia-Pacific markets, it will be necessary to build and improve infrastructure in Western Canada,” the report continues. “This could include transportation, highways and road improvements to deal with increased traffic; port infrastructure development in Kitimat, Prince Rupert and Vancouver; airport improvements; and upstream development.”

Other specifics: “Construction and operation of heavy-oil projects; indirect jobs created through contracting and services; sourcing materials for pipelines from Canadian companies; building super-tugs at facilities in B.C.”

Perhaps a foreshadowing there of what it would take to persuade Premier Clark to say that her insistence that B.C. receives a “fair share of the fiscal and economic benefits” has been met.

Among the recommendations in the report is a call for the two governments to undertake a critical analysis of needed transportation improvements, not just for movement of energy products out of the Western provinces but for maximizing shipments of containers and other cargo back into the country.

All framed around an 18-month-long timeline, which at first blush sounds incompatible with the less than six months left on the calendar before the federal government has to make its call on whether to approve the Enbridge Northern Gateway pipeline.

However, court challenges from First Nations could prolong the process for 18 months and maybe

longer, leaving time for the working group to complete the foregoing study, as well as several others recommended in the report.

Still, reading the report, one is struck by the belated nature of some of the realizations set out in its pages, especially regarding matters that have generated much of the backlash against Enbridge in particular, pipelines and tankers in general.

Governments should “develop First Nations engagement principles for energy development and exports, which identify expectations of proponents ranging from employment, training, education and service opportunities, to financial support, information sharing and protocols and equity.”

They surely should.

There’s a need to “promote initiatives to increase the public’s energy literacy on oil transportation, production, and impacts on daily life.”

Yes again.

But as with the spill containment measures, long overdue too. For all the good sense contained in the report, I have to think the chances would be better for either pipeline if the work of the working group had been done long ago.

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