



Market Access, Economic Growth and Competitiveness

SAINT ANDREWS, NB, July 19, 2018 – Improving access to global markets for Canada’s exports, assuring a responsible and predictable regulatory regime and ensuring workers have the skills they need to meet today’s challenges and tomorrow’s opportunities are key to supporting sustainable prosperity for Canadians.

Canada’s natural resource sector is vitally important to the economy. In 2016, natural resources directly and indirectly accounted for 1.74 million jobs in Canada and 16% of Canadian GDP. No other country in the G7 depends so heavily on natural resources as Canada to support their economic well-being. Ensuring our resources get to market in an efficient and timely manner contributes to a strong and stable economy, where jobs and opportunities abound.

Canada’s Premiers agree on the need to address the elements of improving market access, including a robust and predictable regulatory environment, efficient transportation systems, a reputable environmental track record, and a focus on accessing new and diverse markets. When these elements are all effectively in place, all Canadians benefit from strong, sustainable, and forward-looking industries.

Premiers also discussed the importance of a skilled, adaptable and inclusive labour market that contributes to sustaining and building economic opportunities. Provinces and Territories play a key role in ensuring that all Canadians can obtain the skills they need to succeed in today’s labour market. Premiers stressed the need to continue to find meaningful ways to support everyone, including under-represented groups, in obtaining job skills and training.

Premiers reiterated the importance of supporting labour mobility within Canada and agreed to explore opportunities to expand regional initiatives more broadly.

Improving Market Access

Premiers’ discussions highlighted the importance of broadening access to global markets in order to grow the economy and create jobs. Diversifying Canada’s export markets to reduce our dependency on specific markets and ensure Canadians get full value for our products and resources is essential. Premiers agree on the necessity of moving Canada’s resources to market in timely, predictable, and sustainable ways that Canadians trust through strategic infrastructure including roads, railways, bridges, ports, pipelines and airports as a way to attract investment and grow our economy.

An attractive investment climate is bolstered by strong environmental standards and a clear regulatory framework. Premiers agree that it is critical for Canada to maintain the confidence of the international investment community and be viewed as a safe and reliable place to conduct business. Premiers share a commitment to ensuring that products and resources in Canada can be

moved to market in an economically efficient and socially and environmentally responsible manner, and that governments abide by regulatory and legal decisions.

Rail service is a key element in accessing markets for Canada's diverse range of resources. Premiers expressed concern about the rail backlogs and delays that shippers have experienced in getting their products to market. Premiers noted that due to the current lack of pipeline capacity a record amount of crude oil is now being shipped by rail. This situation could be amplified as the crude oil shipments by rail are expected to grow over the next year, driven mainly by increased shipments to the U.S. This impacts the timely transportation of other commodities and comes at a time when shippers are experiencing unacceptable backlogs and delays. Premiers encouraged the federal government to quickly develop and implement the rail regulations associated with the *Transportation Modernization Act* and ensure strategic infrastructure is in place, consistent with the priorities of Provinces and Territories.

Premiers also discussed the importance of investments in northern, rural and remote infrastructure. Premiers encouraged the federal government to continue discussions that respect the priorities of Provinces and Territories, including the flexibility to address the unique challenges faced by rural, remote, and northern communities.

Environmental Assessment

The responsible development of natural resources in Canada provides economic growth and employment opportunities in communities across the country. The federal government's new environmental assessment legislation must be considered in light of existing provincial and territorial world-class environmental policies and legislative frameworks that balance responsible resource development and environmental protection. Further, Provinces and Territories have established robust engagement practices, including engagement with Indigenous peoples, which must be respected. The cumulative impact of the federal environmental assessment legislation and other proposed federal regulations may affect industry costs, hinder competitiveness and result in duplication, additional administrative burdens and lead to confusion regarding the roles and responsibilities of governments.

Premiers discussed Bill C-69, which creates the *Canadian Energy Regulator Act* and the *Impact Assessment Act*. Premiers called on the federal government to provide increased clarity and detail regarding the proposed environmental and regulatory processes. They are concerned that the Bill may not provide the predictability and streamlined process required to ensure that economically beneficial, environmentally responsible projects are approved and built in Canada. Premiers urged the federal government to work closely with Provinces and Territories to ensure any changes to its environmental assessment processes:

- respect the jurisdiction of Provinces and Territories, including exclusive jurisdiction for resource development, the robust regulatory capacity of jurisdictions, and cumulative impacts on provincial-territorial lands;
- implement the principle of one project, one assessment, and when both federal and provincial-territorial processes are required, provide that both governments work together for instance through joint cooperation agreements;
- respect the role of joint management regimes relating to the offshore in Newfoundland and Labrador and Nova Scotia;

- honour existing federal commitments to negotiate joint management of offshore resources with other jurisdictions;
- pair economic performance, investor certainty and net benefits with environmental progress;
- employ transparent and consistent decision-making criteria that balances consideration of direct project impacts;
- include clear engagement requirements throughout all phases of the impact assessment process; and
- adhere to rigorously managed timelines so that major projects stay on track and are not jeopardized due to unnecessary and costly delays.

It is critical that Provinces and Territories be meaningfully involved in the development of supporting regulations for the *Impact Assessment Act* to ensure that new regulations contribute to regulatory certainty while avoiding duplication or roadblocks to the responsible development of natural resources in Canada.

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