



Premiers Committed to Economic Competitiveness and Responsible Resource Development

SASKATOON, SK, July 11, 2019 – Premiers agreed on the importance of balancing environmental stewardship with economic growth and competitiveness. They emphasized the need for a clear, predictable and timely environmental assessment process and for provinces and territories to be directly involved in federal legislative or regulatory development. Premiers stressed the important role of strategic infrastructure in getting Canadian goods, services and natural resources to markets and creating jobs.

Environmental Assessment and Federal Policy Initiatives

Premiers discussed the need to ensure the environment is protected as Canada's economy grows. The responsible development of natural resources will provide opportunities for growth and prosperity, while also assuring protection for Canada's water, air and land.

Provinces and territories have clear jurisdiction over the development of natural resources. They have developed world-class regulatory regimes that balance environmental protection and economic and labour growth. Premiers urged the federal government to work with provinces and territories on an ongoing basis to ensure a transparent and coordinated approach to environmental assessment across Canada.

Premiers expressed a variety of views on the *Canadian Energy Regulator Act*, the *Impact Assessment Act*, the *Act to Amend the Fisheries Act* and the *Act to Amend the Oceans Act and the Canada Petroleum Resources Act*. Some Premiers expressed concern that these new federal laws would not provide the predictability and streamlined process required to ensure that economically beneficial, environmentally responsible projects are approved and built in Canada. They felt that these laws, combined with the *Oil Tanker Moratorium Act*, would severely affect Canada's global competitiveness and its ability to reach growing new markets, such as the Asia-Pacific region.

However, all Premiers were unanimous in renewing their call for full implementation of the principle of "one project, one assessment." They again urged the federal government to employ transparent, predictable and consistent decision-making criteria that:

- respect the jurisdiction of provinces and territories, including exclusive jurisdiction for resource development, the robust regulatory capacity of jurisdictions, and cumulative impacts on provincial and territorial lands;
- balance consideration of direct project impacts;
- include clear engagement requirements throughout all phases of the impact assessment process, with particular recognition paid to engagements involving Indigenous peoples;
- provide details on expectations and operations of each phase of the assessment process;
- respect the role of joint management regimes relating to the offshore in Newfoundland and Labrador and Nova Scotia; and,
- adhere to rigorously managed timelines so that major projects stay on track and are not jeopardized due to unnecessary and costly delays.

Timelines for environmental assessment processes must be globally competitive with comparable international jurisdictions with similarly robust environmental regimes.

Premiers emphasized the importance of directly involving provincial and territorial governments in the development of regulations and policies for the implementation of environmental assessment legislation so as to ensure certainty for all parties in the regulatory process.

Clean Fuel Standard

Premiers discussed the many measures being introduced by the federal government, which may affect the economic competitiveness of Canadian resource industries.

Premiers call on the federal government to ensure that any national clean fuel standard adheres to the following principles:

- Analyze impacts: an in-depth and transparent analysis of direct and indirect costs and the impact on competitiveness, investment and consumers, must be carried out in consultation with provinces and territories, industry and other impacted stakeholders to avoid undue impacts on consumers, households and businesses;
- Achievability: targets should be realistic and provide for progress to be made towards Canada's 2030 target under the Paris Agreement, taking into consideration the capacity for domestic low carbon and renewable fuel supply;
- Account for regional circumstances and energy security: standards should recognize regional energy security restraints and the unique challenges (including liquid biofuel reliability in cold environments and storage stability) faced by the residents of northern, rural and remote communities, and the possibility of exemptions from the proposed standard;
- Minimize carbon leakage: the potential for Canadian industry moving to jurisdictions with more lenient rules must be minimized through responsible policy actions, such as providing maximum flexibility for achieving compliance;
- Support emission-intensive and trade-exposed sectors: emission-intensive and trade-exposed sectors must not be disproportionately harmed as a result of the standard;
- Ensure domestic growth and greenhouse gas emissions reductions: implementation should be phased-in to allow Canadian industry the time to invest in clean technologies and to adapt to other climate response mechanisms being introduced over the same period, with the goal of meeting the standard through domestic renewable fuel production;
- Complementarity: minimize duplication and ensure federal action recognizes and supports provincial and territorial actions; and,
- Reasonable/achievable compliance pathways: provide options for compliance that do not cause disproportionate regional impacts.

Strategic Infrastructure and Economic Corridors

Natural resources, including hydroelectricity, oil and gas, and minerals, play a vital role in Canada's economy. Ensuring these resources get to markets, on time and safely, contributes to a stable and strong economy and further promotes Canada's energy independence. Premiers noted that all regions in Canada should be enabled to develop resources in an economically efficient and environmentally responsible manner.

Premiers share a commitment to getting environmentally responsible and economically significant strategic infrastructure projects built in order to ensure goods, services and natural resources get to markets safely and efficiently and communities are better connected. Infrastructure investments are key to strengthening growth in all regions of Canada.

Premiers encourage the federal government to direct its investments towards projects that support provincial and territorial priorities, including transportation, communications, and energy infrastructure, in a way that is respectful of provincial and territorial jurisdiction over natural resources. Increased investments in these areas will contribute to sustainable and diversified

economies, vibrant rural, remote and northern communities and improved domestic and international market access.

Robust energy transportation and transmission is critical to supporting Canada's competitiveness, and a strong, sustainable and environmentally responsible economy. Canada's oil and gas industries currently ship 4.59 million barrels per day of oil and 16.2 billion cubic feet of gas per day to markets in Canada and abroad via Canada's existing network of pipelines, roads, rail and ports. Recent investments by industry mean that the industry's productive capacity now exceeds the capacity of the transportation network. Premiers expressed their ongoing commitment to ensuring a predictable regulatory environment that enables market driven investments in safe, efficient, environmentally responsible energy infrastructure. Premiers also recognized the importance of partnering with Indigenous communities as projects are developed and implemented. Likewise, energy transmission projects that can help reduce carbon emissions in North America, as well as provide reliable and flexible electricity supply, should be fostered.

Premiers discussed serious challenges in getting their products to domestic and international markets. There is a need to increase certainty for investors and help get major infrastructure and transmission projects done in a timely fashion while minimizing environmental impacts, lowering the costs of environmental assessments, and maintaining high standards of Indigenous consultation and science-based assessments. These options should include further discussions on pan-Canadian economic corridors, both east-west and north-south, to increase productivity by distributing energy, communications, and economic potential currently locked in a single province or territory to other jurisdictions.

Economic corridors could expand markets for Canadian energy, including hydroelectricity and natural gas. This will also create vital transportation and economic links between Canada's North and the rest of Canada.

Quebec restated there is no social acceptability with respect to the passage of new oil pipelines on its territory, but remains open to promote, in an environmentally responsible manner, the transmission of hydroelectricity and the transport of natural gas toward markets.

Federal Infrastructure Funding

Provinces and territories determine their unique infrastructure needs. In order to get needed local and regional infrastructure projects approved and built in a timely fashion, Premiers are seeking federal cooperation through the provision of:

- flexibility to direct federal funding to provincial and territorial priority projects and needs, which vary significantly across the country;
- fewer administrative and reporting requirements in order not to hold up projects and create undue burden and costs;
- transparent and consistent project eligibility requirements; and
- funding consistent with established base plus per capita approaches.

Premiers agreed that diverging policy views and disagreements between orders of government should not preclude provinces and territories from accessing federal infrastructure funding.

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