

**Advice to the Minister  
Trans Mountain Expansion Project  
Release of Decision  
January 11, 2017**

**The Environmental Assessment Process**

**Q 1. Why did the ministers decide to issue an environmental assessment certificate?**

The decision was made after considering a review led by British Columbia's Environmental Assessment Office.

The ministers issued the certificate with legally-enforceable conditions that have given them the confidence to conclude that the project will be constructed and operated in a way that ensures that no significant adverse effects are likely to occur. A record of the factors that the ministers considered in making their decision can be found in the Reasons for Ministers' Decision.

There are 37 conditions that are part of the certificate. Design requirements are specified in the Certified Project Description. Each of the conditions and the Certified Project Description are legally-binding requirements that Trans Mountain must meet to be in compliance with the certificate.

**Q 2. Why was an environmental assessment done?**

Under the Reviewable Projects Regulation, proposed projects require an environmental assessment if they reach defined thresholds. The Trans Mountain Expansion Project required an environmental assessment because it includes a new transmission pipeline with a diameter of greater than 323.9 millimetres and a length of greater or equal to 40 kilometres.

**Q 3. What conditions and design requirements are attached to the approval of the project?**

There are 37 conditions attached to the environmental assessment certificate that, together with the design aspects specified in the Certified Project Description, will mitigate the impacts of the project. Each of the conditions and the Certified Project Description are legally-binding requirements that Trans Mountain must meet to be in compliance with the project's certificate.

Key conditions require Trans Mountain to:

- consult with Aboriginal groups and provincial agencies when developing and implementing relevant plans and programs required by the National Energy Board and the provincial environmental assessment certificate;
- develop wildlife species-at-risk offset plans and a grizzly bear mitigation and monitoring plan for all impacted Grizzly Bear Population Units;

- prepare and implement access management plans to avoid or mitigate disruption to access by members of Aboriginal groups carrying out traditional use activities and by provincially authorized trappers and guide outfitters;
- prepare and implement a worker accommodation strategy that describes the potential environmental and social-economic impacts of construction camps on Aboriginal groups and includes a plan to provide medical and health services for employees and contractors using the construction camps;
- prepare offset plans for any provincial parks, protected areas and recreation areas that would be impacted by the Project;
- report greenhouse gas emissions consistent with BC's Greenhouse Gas Industrial Reporting and Control Act and offset the greenhouse gas emissions from project construction in British Columbia through the BC Carbon Registry;
- conduct a research program regarding the behaviour and clean-up of heavy oils spilled in freshwater and marine aquatic environments to provide Trans Mountain and spill responders with improved information on how to effectively respond to spills;
- develop emergency response plans that include guidelines for incident notification and communications; oiled wildlife care; volunteer management; environmental sampling and monitoring and describe how Trans Mountain would coordinate emergency response participation of first responders, agencies, municipalities and regional districts, and Aboriginal Groups;
- increase Trans Mountain's emergency preparedness and response exercise and training program to include full scale exercises or deployments of emergency equipment for certain pipeline rupture and tank fire scenarios before operations begin;
- implement an Aboriginal marine outreach program along the marine shipping route to address the impacts of increased Project-related tanker traffic in the Salish Sea.
- provide opportunities for Aboriginal Groups to participate in construction and post-construction monitoring, including training for Aboriginal monitors.

**Q 4. Will the project require any provincial permits before it can be constructed?**

Yes. The majority of provincial permits are provided through the BC Oil and Gas Commission, BC Parks of the Ministry of Environment, the Ministry of Transportation and Infrastructure, and the Ministry of Forests, Lands and Natural Resource Operations.

**Q 5. Is the federal government also undertaking an environmental assessment of the project?**

The National Energy Board has the primary responsibility for ensuring the Trans Mountain Expansion Project is developed, constructed and operated in a manner that is safe and secure, and protects people, property and the environment.

The Trans Mountain Expansion Project required a federal environmental assessment under the *Canadian Environmental Assessment Act, 2012* and the *National Energy Board Act*, which was undertaken by the National Energy Board.

On November 29, 2016, the federal Governor-in-Council approved the Trans Mountain Expansion Project.

**Q 6. Why didn't British Columbia do its own environmental assessment?**

In 2010, the Environmental Assessment Office and the National Energy Board entered into an Environmental Assessment Equivalency Agreement.

Under the terms of this agreement, the environmental assessment process for the Trans Mountain Expansion Project was completed by the National Energy Board. The National Energy Board review's process was substituted for the provincial environmental assessment process under the *Environmental Assessment Act*, and the National Energy Board Report was accepted as the provincial assessment report.

**Q 7. Wasn't there a court ruling that found that the Environmental Assessment Equivalency Agreement between the Environmental Assessment Office and the National Energy Board was invalid?**

In January 2016, the Supreme Court of British Columbia found that, while Provincial Ministers can rely on environmental assessments conducted by the National Energy Board under the equivalency agreement, they are required to render a decision under the B.C. Environmental Assessment Act.

**Q 8. Now that an environmental assessment certificate has been granted, can provincial agencies proceed with issuing permits for the project if there are judicial reviews pending in the courts for this project?**

Yes. If Trans Mountain applies for Provincial permits, provincial agencies can continue to legally issue permits unless otherwise directed by the courts.

**Trans Mountain Expansion Project**

**Q 9. What is the Trans Mountain Expansion Project?**

The project will consist of approximately 987 kilometres of new oil pipeline and the reactivation of 193 kilometres of existing oil pipeline between Edmonton, Alberta and Burnaby, British Columbia. Trans Mountain will transport crude, semi-refined and refined petroleum products, and the expansion will increase the capacity of the existing pipeline from 47,690 cubic meters per day to 141,500 cubic meters per day. The project will also include the development of supporting infrastructure.

**Q 10. Where is the project located?**

The project will consist of approximately 987 kilometres of new oil pipeline and the reactivation of existing oil pipeline between Edmonton, Alberta and Burnaby, British Columbia. The project would also include a distribution line from the tanks at Trans Mountain's Burnaby terminal to the Westridge Marine Terminal on Burrard Inlet and another into Washington State.

Over 85% of the proposed pipeline route would parallel existing disturbance, including the existing pipeline route, thereby reducing the impacts from construction and right-of-way clearing.

**Q 11. Who is the proponent for this project?**

The proponent is Trans Mountain Pipeline ULC as General Partner of Trans Mountain Pipeline L.P., a subsidiary of Kinder Morgan Canada.

**Impacts and Mitigation**

The provincial and federal governments have shared jurisdiction over the environment and some of the socio-economic components that may be impacted by the Project, and the provincial government has authority for the management of provincial lands and natural resources that may be impacted by the Project.

***Vegetation and Wildlife***

**Q 12. What effects will the project have on vegetation and wildlife?**

The National Energy Board's assessment included consideration of the following:

- rare plants, lichens and other vegetation types;
- old growth management areas;
- wetlands;
- weeds; and
- terrestrial wildlife and wildlife habitat (including woodland caribou, grizzly bear and other terrestrial wildlife species at risk).

The environmental assessment indicated that construction and operation of the proposed pipeline would disturb or alter about 2,231 hectares of native vegetation, which could cause the introduction and spread of non-native and invasive species. In addition, some mature trees and old growth forest would be lost as a result of the project, and regrowth of trees back to similar size would take decades.

During the assessment, it was determined that while the pipeline corridor will cross 538 wetlands, not all of these wetlands would be disturbed. Trans Mountain will route the pipeline to avoid wetlands to the extent practical and ensure that the important ecological function performed by those wetlands will not be lost.

As a result of vegetation clearing, sensory disturbance, reduced habitat connectivity, barriers to movement, and increased mortality risk, the project has the potential to impact wildlife and wildlife habitat, including migratory birds. Also, maintenance of the pipeline right-of-way could lead to increased predation on a variety of species and greater access for trapping, hunting, and poaching of wildlife.

The Trans Mountain Expansion Project was found to have the potential to affect various SARA-listed terrestrial wildlife species through habitat loss, change in movement, and an increase in mortality risk.



After reviewing and considering the conditions set by the National Energy Board, the BC Environmental Assessment Office consulted with Provincial agencies and Aboriginal groups to identify additional measures for minimizing or avoiding impacts from the project on vegetation and wildlife. As a result of that work, the provincial environmental assessment certificate includes a number of conditions that require Trans Mountain to:

- ensure filings are consistent with relevant provincial legislation, regulation, policies and programs, and requires that Trans Mountain develop and implement the required plans and programs in consultation with Provincial agencies and Aboriginal groups;
- consult with Provincial agencies and Aboriginal groups to develop grizzly bear mitigation and monitoring plans that are consistent with BC's Policy for Mitigating Impacts on Environmental Values and includes monitoring measures;
- develop a wildlife species-at-risk offset plan in consultation with Provincial agencies and Aboriginal Groups;
- consult with Provincial agencies and Aboriginal groups to prepare an access management plan for the pipeline right-of-way, including measures to avoid or mitigate disruption to members of Aboriginal groups carrying out traditional use activities.

### ***Parks and Protected Areas***

#### **Q 13. Have you identified any impacts to parks or protected areas?**

The Trans Mountain Expansion Project will cross through three parks and protected areas and one Recreation Area in BC:

- Finn Creek Provincial Park;
- North Thompson River Provincial Park;
- Lac Du Bois Grasslands Protected Area; and
- Coquihalla Summit Recreation Area.

Trans Mountain has advised BC Parks that works associated with the Project in North Thompson River Provincial Park would be within the existing right-of-way and, therefore, there would be no new permanent right-of-way taken from the park.

The preferred route from the Burnaby tank terminal to Westridge Marine Terminal is to tunnel through Burnaby Mountain, which is within the Burnaby Mountain Conservation Area. In the event that the tunnel option is not viable, the alternate route would have the potential to affect the Burrard Inlet Conservation Area, including great blue heron that may nest in the conservation area.

The National Energy Board found that Trans Mountain's proposed mitigation for potential effects on great blue heron in the conservation area to be reasonable and acceptable.

In addition to conditions set by the National Energy Board for the project, the Provincial environmental assessment certificate also includes a condition that would require Trans Mountain to prepare a plan to identify offset projects for any provincial protected areas

(including parks, protected areas and recreation areas) that would be impacted by the project (if park boundary adjustments are approved by an Order in Council).

### **Greenhouse Gas Emissions**

#### **Q 14. Were greenhouse gas emissions considered during the assessment?**

The National Energy Board assessed the direct greenhouse gas emissions generated from the project during construction and operations. Construction would generate approximately 1.0 megaton of greenhouse gas emissions, of which 90% would be from land-clearing.

Total greenhouse gas emissions from construction in BC are estimated to be 0.84 megatons, and annual emissions in BC during operations are expected to decrease by 323 tonnes due to change of the vapour combustion unit at Westridge Marine Terminal to stand-by mode. Trans Mountain will be constructing up to seven new pump stations, all of which would be electric drive.

However, the Westridge Marine Terminal would generate greenhouse gas emissions during operations that exceed BC's reporting threshold (i.e., 10,000 tonnes annually) and will be required to report under BC's *Greenhouse Gas Industrial Reporting and Control Act*.

#### **Q 15. What about greenhouse gas emissions from marine shipping?**

The National Energy Board considered greenhouse gas emissions generated from Project-related marine shipping.

The National Energy Board reported that Project-related marine vessels are expected to result in an increase of approximately 6.9% in the region's marine greenhouse gas emissions, 2.1% in BC's marine greenhouse gas emissions, and 1.2% in Canada's marine greenhouse gas emissions.

The National Energy Board found that as there are no regulatory reporting thresholds or specific requirements for marine greenhouse gas emissions in Canada, and as emissions would result in measurable increases, greenhouse gas emissions from Project-related marine vessels are likely to be significant.

The provincial environmental assessment certificate includes a condition that, in addition to National Energy Board condition 140, would require Trans Mountain to quantify and report greenhouse gas emissions in a manner that is consistent with BC's *Greenhouse Gas Industrial Reporting and Control Act* and accompanying regulations.

The environmental assessment certificate also includes a condition that would require Trans Mountain to develop a plan to offset greenhouse gases from project construction in BC.

## ***Terrestrial and Marine Spills***

### **Q 16. Were potential effects from terrestrial and marine spills considered in the environmental assessment?**

During the environmental assessment, many commenters and intervenors, including municipal and regional government and Aboriginal groups, raised concerns about the risks of accidental spills on land or in the marine environment.

The National Energy Board concluded that the effects of a credible worst-case spill on the current use of lands, waters and resources for traditional purposes by Aboriginal people would likely be adverse and significant.

The National Energy Board concluded that, should the Project be designed, constructed and operated according to the fulfillment of its conditions and Trans Mountain's commitments, there would be a very low probability of a project-related spill (i.e., from the pipeline, tank terminals, pump stations, or Westridge Marine Terminal) that would result in a significant effect.

The National Energy Board also concluded that there is a very low probability of a marine spill from a Project-related tanker that would result in a significant effect. In addition to the conditions set by the National Energy Board, the Provincial environmental assessment certificate includes a number of conditions related to Trans Mountain's emergency and spill preparedness and to support provincial agencies' emergency and spill preparedness.

Specifically, there is a condition that would require Trans Mountain to provide provincial agencies with copies of the risk assessments required by the National Energy Board, as well additional analysis regarding Oil Spill Containment and Recovery units and trained responders and operational support.

The Provincial environmental assessment certificate also includes a condition that requires Trans Mountain to develop emergency response plans describing how Trans Mountain would coordinate participation of first responders, agencies, municipalities and regional districts, and Aboriginal Groups that may be involved in an emergency response related to the Project.

The environmental assessment certificate includes a condition that would increase the requirements associated with Trans Mountain's emergency preparedness and response exercise and training program, including testing additional plans in the exercises. The Province will require Trans Mountain to complete full-scale exercises or deployments of emergency equipment in advance of the commencement of operations for each of the following scenarios:

- Full-scale full-bore rupture under ice and snow conditions in BC;
- Deployment of emergency equipment for a full-bore rupture into major river in BC under peak flow conditions; and
- Deployment of emergency equipment for a tank fire at the Burnaby Terminal.

## **Compliance and Enforcement**

### **Q 17. Who will be responsible for ensuring that Trans Mountain follows the conditions set by the National Energy Board and in the provincial Environmental Assessment Certificate?**

The National Energy Board would be the primary regulator of this inter-provincial pipeline. The National Energy Board is responsible for keeping its pipelines and facilities safe and secure, and to protect people, property and the environment.

To accomplish this, the National Energy Board would:

- review or assess submissions from Trans Mountain on how it is meeting the conditions;
- track condition compliance;
- confirm compliance with regulatory requirements; and
- employ appropriate enforcement measures where necessary to quickly and effectively obtain compliance, prevent harm, and deter any future non-compliance.

Many of the conditions also require Trans Mountain to consult with appropriate government authorities (including provincial government agencies) and potentially affected Aboriginal groups.

## **Public Consultation**

### **Q 18. What public consultation was undertaken for the environmental assessment of this project?**

The National Energy Board hearing process provided opportunities for participation by those members of the public who are either directly affected or have relevant information or expertise. The National Energy Board required Trans Mountain to contact anyone who lives, works or uses land and resources along the proposed pipeline route.

The National Energy Board also made efforts to ensure that those who could be potentially affected by the project were aware of it and knew how they could get involved in the review. The National Energy Board created a Process Advisory Team to help participants understand the hearing process and the best way to participate.

In addition, the federal government established a three-member Ministerial panel charged with seeking the views of Canadians and local communities and Aboriginal groups along the pipeline right-of-way and shipping route.

### **Q 19. Were local governments consulted?**

The Environmental Assessment Office required Trans Mountain to submit a Stakeholder Engagement Report, which:

- summarized engagement with local and regional governments and municipalities;
- identified the key issues raised by stakeholders throughout the process; and

- provided an update on efforts to resolve issues.

**Q 20. What kinds of issues and concerns were raised by local governments and municipalities?**

The key issues raised by local and regional governments and municipalities included:

- emergency response;
- economic benefits/impacts;
- lack of community support;
- impacts to infrastructure and services;
- environmental impacts; and
- tanker traffic and marine spills.

**Q 21. How will Trans Mountain address the issues and concerns raised by local governments and municipalities?**

Trans Mountain has committed to forming technical working groups to help address concerns raised by municipalities regarding ongoing consultation, particularly during the design and construction phase of the project. Affected municipalities will be invited to participate in the technical working groups.

The National Energy Board has developed a number of conditions to facilitate the establishment and development of the technical working groups.

In addition, B.C.'s Environmental Assessment Certificate includes conditions that require Trans Mountain to:

- continue to engage with potentially affected stakeholders until the end of operations;
- establish and maintain a project website for sharing information;
- provide the B.C. Environmental Assessment Office with reports on its public consultation; and
- develop a workforce accommodation strategy for construction.

**Aboriginal Consultation**

**Q 22. Were Aboriginal groups consulted?**

The Environmental Assessment Office coordinated Aboriginal consultation activities with the federal government, including sharing information, conducting joint consultation meetings, and drafting a joint Consultation and Accommodation Report for the Ministers and the federal Governor-in-Council.

This report describes:

- the consultation process;
- the key issues of concern raised by Aboriginal group and the potential mitigations; and
- the Crown's assessment of the seriousness of potential impacts of the project on Aboriginal interests.

The Environmental Assessment Office and the federal government provided Aboriginal groups with opportunities to review and submit feedback on the draft Consultation and Accommodation Report. The final report is posted on the B.C. Environmental Assessment Office's website.

The Environmental Assessment Office also provided Aboriginal groups with an opportunity to review its draft Summary Assessment Report, proposed conditions and draft certified project description.

**Q 23. Are Aboriginal groups supportive of the project?**

As of December 7, 2016, the Environmental Assessment Office was aware that 37 potentially affected Aboriginal groups in BC (and 49 total Aboriginal groups, including 3 BC Métis groups) had signed a confidential mutual benefit agreement, including a letter of support, with Trans Mountain.

The Environmental Assessment is also aware that a number of Aboriginal groups have initiated litigation regarding the federal decision to proceed with the project.

**Q 24. How have concerns expressed by Aboriginal groups been addressed?**

All Aboriginal groups were given the opportunity to provide a submission outlining any outstanding concerns, issues or fundamental views in respect of the Project for the direct consideration of Provincial Ministers and the federal Government-in-Council.

Twenty-six Aboriginal groups provided separate submissions for both Provincial Ministers and the federal Government-in-Council. Subsequently, Cook's Ferry Indian Band, Siska Indian Band, and Tsleil-Waututh Nation provided submissions specifically for Provincial Ministers.

In response to the concerns raised and mitigations proposed by Aboriginal groups, the environmental assessment certificate includes a number of provincial conditions that require Trans Mountain to consult with Aboriginal groups on conditions that are related to Aboriginal interests. These proposed conditions include opportunities to participate in construction monitoring, archaeological and heritage activities, and environmental and socio-economic plan development. There is also a requirement for Trans Mountain to endeavour to engage with impacted Aboriginal groups to seek to identify opportunities for cultural awareness and recognition.

Program Area	Associate DM	Comm. Lead
Nathan Braun 250-882-2050	Kevin Jardine 250-356-7475	Paul Craven 250-812-5176



**Trans Mountain Expansion Project  
Environmental Assessment Certificate Announcement  
Roll-Out Plan**

**Public Announcement:**

- *Information Bulletin:*
  - 1:30 p.m. on day of announcement
  - Information bulletin announcing the environmental assessment certificate decision released
  - Documentation of the certificate decision will be posted on the EAO website (the information bulletin will link to this page)
  - A "What's New" blurb on the main page and RSS feed will be posted on the EAO website
  - Ongoing media responses will be coordinated between EAO, ENV, MARR and MNGD Communications, as appropriate

**Notification Plan:**

- *Notification of Pending Announcement:*
  - 1:00 p.m. (30 minutes before the posting of information):
    - EAO Project Lead calls the proponent to let them know that the ministers have made a decision on the application for an environmental assessment certificate and that the decision will be released to the media and posted on EAO's website at approximately 1:30 p.m.
    - Phone calls and emails from EAO to leadership representatives (i.e. chiefs/mayors) of Aboriginal groups/local governments to let them know of the pending announcement – see attached list
  - Details of the decision are **not** released at this time to any of the contacts
- *Post-Announcement:*
  - Immediately following (i.e. 1:35 p.m.):
    - Phone calls and emails from EAO to leadership representatives (i.e. chiefs/mayors) of Aboriginal groups/local governments to let them know that the announcement has been made and provide the Reasons for Ministers' Decision/Information Bulletin
  - EAO staff will call proponent to advise them of the decision
  - Once posted, EAO will send:
    - DM-to-DM email with Information Bulletin attached
    - MP/MLA notification
    - E-mail to the project working group

- o Written notice to MOE in accordance with the Concurrent Approval Regulation

#### Contact List

Proponent	Contact Name	Phone Number	E-mail Address	Responsible Staff
Trans Mountain Pipeline ULC	Peter Forrester	403-650-7229	peter_forrester@kindermorgan.com	Nathan Braun

**From:** [Crebo, David GCPE:EX](#)  
**To:** [Mihlar, Fazil ENV:EX](#); [Shoemaker, Wes ENV:EX](#); [Jardine, Kevin EAO:EX](#)  
**Cc:** [Cameron, Tara D ENV:EX](#); [Hansen, Erin ENV:EX](#); [Vinette, Nicole EAO:EX](#)  
**Subject:** Final materials  
**Date:** Wednesday, January 11, 2017 12:28:06 PM  
**Attachments:** [KMs QA 5 conditions Jan 10 FINAL.docx](#)  
[nr\\_5.conditions\\_final.pdf](#)

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Gents – Final NR/BG and QA/KM going out at 3pm today.

Dave Crebo

Communications Director

Ministry of Environment

(250) 812-5747

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

**5 Conditions assessment**  
Ministry of Environment | *January 2017*

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**Key Messages**

**Top Lines**

- The Province's clear, consistent and principled position on its five conditions has resulted in tangible and significant investments that will protect British Columbia's environmental and economic interests.
- The five conditions is an articulation of the way we do business in British Columbia – we set the bar high and stood up for B.C. to ensure our environmental protection, First Nations participation and overall economic benefits were taken seriously.

**Environmental Protection**

- The Trudeau government responded with a \$1.5-billion Oceans Protection Plan and a further commitment to a world leading response plan with continued improvements and investments as needed.
- The largest share of the Plan will be invested in B.C. in the form of new equipment and staff including two new salvage tugs capable of rescuing and towing large vessels.
- Trans Mountain has also enhanced their marine protection plan including the requirement for two local expert pilots on loaded tankers and an increased escort tug regime for the Juan De Fuca Strait.
- The Plan also insures B.C. against any cost associated with a potential spill by providing a guarantee of unlimited funds available for clean-up and compensation, allowing dollars to get quickly into the hands of first responders and those affected by oil spills.
- Remaining a world-leader in spill response is an on-going commitment that British Columbians expect – to ensure the Plan stays world-leading, B.C. will work closely with Canada to continually assess our response capability.
- This will include a reassessment in 2019 to ensure a world-leading Ocean protection system has been achieved prior to Trans Mountain commencing operations in December of that year.

**Fair Share**

- British Columbia's fifth condition related to a fair share of fiscal and economic benefits has resulted in an agreement that:
  - has British Columbians first in line for jobs of the more than 75 thousand person-years of employment;
  - will boost B.C.'s GDP by \$19.1 billion during construction and operations over 20 years; and
  - generates over \$2.2 billion in tax revenue for provincial and local governments.

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

- BC has reached an unprecedented revenue-sharing agreement with Kinder Morgan for up to \$1 billion over 20 years, or up to \$50 million per year. These revenues will be dedicated to a new BC Clean Communities Program.
- Under this new program, communities across B.C. will be able to apply annually for grants to invest in protecting and enhancing B.C.'s environment.

**Meeting Commitments 1,3 & 4**

- The remaining conditions have either been, or are being satisfied.
- The first condition requiring environmental approval has been met at both the federal and provincial levels.
- B.C.'s EA certificate added another 37 conditions to further protect wetlands, wildlife habitat and caribou and grizzly populations.
- The third condition requiring world-leading, land-based spill response is addressed through provincial legislation passed last year, which will establish a world-leading spill preparedness and response regime.
- The fourth condition requiring opportunities for First Nations as well as addressing legal and treaty rights is being addressed by both the federal government and the company.
- First Nations having a direct say in the project, including new jobs and economic opportunities.
- We're told Kinder Morgan has signed 41 Mutual Benefit Agreements with First Nations in B.C. worth more than \$350 million and that the company has also provided \$13 million in capacity funding to assist First Nations in carrying out their due diligence.

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**Questions and Answers**

**1. Have the 5 conditions been met?**

- We have been clear that it is up to the Trudeau government to approve, support and explain why this project is in the national interest.
- Our job is to stand up for B.C. to make sure economic development is done the right way : ensuring the highest environmental standards are met to protect our coast and our land, First Nations' treaty rights are addressed and opportunities for participation are created and B.C. receives a fair share of the benefits.

**2. What are the 5 conditions?**

1. Successful completion of the environmental review process.
  - On May 19, 2016 the National Energy Board recommended to the federal government that the project be approved, subject to 157 conditions.
  - On November 29, 2016 the Trudeau government announced its approval of the Trans Mountain Expansion Project.

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

- The provincial environmental assessment process began nine months ago. Aboriginal consultation efforts have been conducted jointly with the federal government.
  - After careful review, the Province has issued an EA certificate for Kinder Morgan's Trans Mountain Expansion Project with specific conditions attached.
  - These conditions are based on the NEB's report, the consideration of additional information and Aboriginal consultation to date.
  - The conditions attached to this decision are legally binding and must be completed to ensure Aboriginal interests are accommodated and the Province is satisfied.
2. World-leading marine oil spill response, prevention and recovery systems for B.C.'s coastline and ocean to manage and mitigate the risks and costs of heavy oil pipelines and shipments.
- The federal government's Oceans Protection Plan is a world-leading marine safety system with new preventive and response measures:
    - The lion's share of the federal government's Oceans Protection Plan will be directed to B.C. giving us a truly world leading marine response regime:
      - New, modern radar and navigation systems as well as improved weather services to allow for proactively managing vessel routing;
      - Improved emergency training and capacity building for First Nations and others so they can more effectively act as B.C.'s first responders on the coast;
      - Upgrades to Canadian Coast Guard (CCG) facilities along the coast (Prince Rupert to Bella Bella to Powell River), including improvements to equipment, personnel and infrastructure;
      - Two multi-purpose tow-capable vessels to augment CCG's towing capability in B.C.
      - New, dedicated Emergency Response teams created under the Canadian Coast Guard;
      - Response equipment staged in urban centres, so the coast guard can ensure quick deployment;
      - Establishment of a 24-7 emergency operations centre in Port Hardy.
      - Improvement to the Polluter Pays regime, where funds will be more immediately available to deal with response and clean up.
  - Trans Mountain's commitments will contribute to enhancing marine protection:
    - Requiring all tankers calling at the Westridge Marine Terminal meet strict, internationally accepted construction and operation standards;
    - Only double hulled tankers will be allowed and they must go through rigid pre-screening and physical inspection;
    - Two expert local pilots will be on board loaded tankers from Westridge Marine Terminal to Victoria.



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**KEY MESSAGES | QUESTIONS AND ANSWERS**

- Tug escort regime will be extended to cover the tanker route up to Buoy Juliet ("J Buoy"), located at the entrance to Juan de Fuca Strait.
  - Prescribing minimum tug requirement for outbound vessels for the Strait of Georgia including Juan de Fuca Strait;
  - More than \$150 million invested in WCMRC to create new response bases, fund new equipment and create 100 new jobs. Investment will double existing spill response capabilities and cut realized response times in half;
  - Enforcing a Tanker Acceptance Standard that provides a dedicated loading master with the authority to stop or abort cargo transfer operations should a marine risk or noncompliance occur.
3. World-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks and costs of heavy oil pipelines.
- In May, 2016, amendments to the Environmental Management Act (EMA) were passed which provide the legal foundation to establish a new, world-leading spill preparedness and response regime to address environmental emergencies in B.C.
  - The new legislated requirements for a provincial spills regime were the result of over three years of engagement with industry, First Nations, local government and other key stakeholders.
  - The legislation includes the following:
    - Establishes new requirements for spill preparedness, response and recovery.
    - Creates new offences and penalties.
    - Enables the certification of a Preparedness and Response Organization.
    - Increases transparency, participation and accountability.
  - The provincial regime is intended to address all types of spills that cause pollution or threaten public safety regardless of their source.
  - Once fully implemented, these amendments will ensure a world-leading spill preparedness and response regime.
  - Trans Mountain's commitments to safety including:
    - Enhanced Emergency Management Program with increased requirements such as a greater focus on geographic response planning and response equipment, and funding inland geographic response planning development in B.C.;
    - Minimum of 12 exercises along the pipeline- more than what is currently required;
    - Continual assessment and improvement including annually updated Emergency Management Plans, regular review of geographic response plans, a robust training and exercise program and an emergency management after incident/exercise reporting process.

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

4. Legal requirements regarding Aboriginal and treaty rights are addressed, and First Nations are provided with the opportunities, information and resources necessary to participate in and benefit from a heavy-oil project.
  - We have been informed that Kinder Morgan has had over 30,000 points of contact with First Nations throughout their engagement process. Prime Minister Trudeau has confirmed the substantial progress that's been made on consultation and accommodation, including a First Nations monitoring and advisory committee with a \$64 million funding envelope.
  - Specifically, we're told Kinder Morgan has signed 41 Mutual Benefit Agreements with First Nations in B.C. worth more than \$350 million and that the company has also provided \$13 million in capacity funding to assist First Nations in carrying out their due diligence. And there will be continued engagement with First Nations in the case of this pipeline as with many other projects.
5. British Columbia receives a fair share of the fiscal and economic benefits of a proposed heavy oil project that reflects the level, degree and nature of the risk borne by the province, the environment and taxpayers.
  - The economic benefits B.C. is receiving as a result of government's consistent and principled position includes
    - 75,110 person-years of employment for B.C. throughout construction and operation.
    - \$3.8 billion in GDP to B.C. in construction and \$15.3 billion (over 20 years) during operation for a total of \$19.1 billion.
    - Estimated \$2.2 billion in provincial tax revenue, including construction and operation benefits.
    - Estimated \$512 million in property taxes to municipalities in B.C. over 20 years of operation.
  - In addition B.C. will receive significant fiscal benefit direct from Kinder Morgan worth up to \$1 billion dollars. This is unprecedented. For the first time in B.C. a company will share revenue from a large industrial project directly with the province.
  - The company will pay the province between \$25 million and \$50 million annually for 20 years. These revenues will be dedicated to environmental protection initiatives.

***If pressed on what "lion's share" of Oceans Protection Plan funding means***

- *Addressing the gaps we identified will mean more than \$600 million.*

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KEY MESSAGES | QUESTIONS AND ANSWERS

3. **The province maintained that the first 4 conditions were to be met before the 5th could be discussed. So, how can you engage in talks on the 5th condition with Kinder Morgan before your environmental assessment process had concluded?**
- Our main focus all along was on the first four conditions, but it is perfectly legitimate to carry out work on 5<sup>th</sup> condition concurrently with the caveat that the first four conditions must be achieved before that side work on Condition 5 has any relevance.
  - The simple fact of the matter is that without the first four conditions being met there would be no 5<sup>th</sup> condition.
4. **What determines the actual annual payment the Province will receive from Kinder Morgan?**
- The company will pay the province between \$25 million and \$50 million annually for 20 years.
  - The actual amount paid to the province each year will depend whether the expanded pipeline is operating at full capacity on its spot market contracts.
5. **What are the binding conditions attached to the provincial EA certificate, to achieve the first condition?**
- There are 37 conditions attached to the environmental assessment certificate that, together with the design aspects specified in the Certified Project Description, will mitigate the impacts of the project.
  - Each of the conditions and the Certified Project Description are legally-binding requirements that Trans Mountain must meet to be in compliance with the project's certificate.
  - Key conditions require Trans Mountain to:
    - Consult with Aboriginal groups and provincial agencies when developing and implementing relevant plans and programs required by the National Energy Board and the provincial environmental assessment certificate;
    - Develop wildlife species-at-risk offset plans and a grizzly bear mitigation and monitoring plans for all impacted Grizzly Bear Population Units;
    - Prepare and implement access management plans to avoid or mitigate disruption to access by members of Aboriginal groups carrying out traditional use activities and by provincially authorized trappers and guide outfitters;
    - Prepare and implement a worker accommodation strategy that describes the potential environmental and social-economic impacts of construction camps on Aboriginal groups and includes a plan to provide medical and health services for employees and contractors using the construction camps;
    - Prepare offset plans for any provincial parks, protected areas and recreation areas that would be impacted by the Project;
    - Report GHG emissions consistent with BC's Greenhouse Gas Industrial Reporting and Control Act and offset the GHG emissions from project construction in British Columbia through the BC Carbon Registry;

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

- Conduct a research program regarding the behaviour and clean-up of heavy oils spilled in freshwater and marine aquatic environments to provide Trans Mountain and spill responders with improved information on how to effectively respond to spills;
- Develop emergency response plans that include guidelines for incident notification and communications; oiled wildlife care; volunteer management; environmental sampling and monitoring and describe how Trans Mountain would coordinate emergency response participation of first responders, agencies, municipalities and regional districts, and Aboriginal Groups;
- Increase Trans Mountain's emergency preparedness and response exercise and training program to include full scale exercises or deployments of emergency equipment for certain pipeline rupture and tank fire scenarios before operations begin;
- Implement an Aboriginal marine outreach program along the marine shipping route to address the impacts of increased Project-related tanker traffic in the Salish Sea.
- Provide opportunities for Aboriginal Groups to participate in construction and post-construction monitoring, including training for Aboriginal monitors.

**6. Industry considers 10-15 per cent of oil recovered to be a success. How can you claim "world-leading" if 85 to 90 per cent of the oil won't be recovered in the marine environment?**

- While shipping and navigation on coastal marine waters are federal jurisdiction, British Columbia takes a very active interest in the protection of our coast line. B.C. has consistently advocated for a comprehensive world leading marine spill response system from successive federal governments.
- B.C. welcomed the federal government's recently announced Oceans Protection Plan.
- While the federal government remains responsible for the coastal environment, we look forward to continuing to work with our federal partners on the details of the plan, because our primary concern is to first ensure the risk of a spill is minimized and then a world leading marine spill response is in place along our entire coastline.

**7. How can you say a world leading marine prevention, response and recovery system will be in place when diluted bitumen can't be recovered if spilled in the marine environment?**

- By insisting on world leading marine oil spill response, prevention and recovery systems for B.C.'s coastline and ocean we have greatly reduced the risk of spill as well as the impact of a potential spill.
- The Trudeau government is conducting wide-ranging research into the behaviour and potential impacts of a diluted bitumen spill in a marine environment. There is a wide range of federal science that will inform safe and effective spill cleanup plans.

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

- Additional funding for research through the federal government's Oceans Protection Plan will support further research in this area to help spill responders better understand and predict the behaviour of diluted bitumen and improve ways to clean-up oil spills.
- Trans Mountain and industry are also committed to further study effective response to a dilbit spill.

**8. The regulations for a world-leading provincial spill regime are going to be introduced gradually over several years – how can you consider this condition met when all the details may not be in place for years?**

- World-leading means we will be continuously improving and evolving over time to ensure our spills regime is a leading example of spill preparedness, response and recovery. We've put legislation in place that sets the groundwork for a world-leading regime and we will be putting regulations in place incrementally, starting this spring, to meet that goal.
- For example, we intend to introduce regulations this spring related to:
  - Defining regulated persons
  - Spill contingency plans
  - Drills and exercises
  - Record-keeping for spill preparedness and response
  - Spill reporting
  - Spill cost recovery
  - Recovery of areas affected by the spill
- The Province will also support the spills regime through \$1.5 million in funding this fiscal year and \$2.5 million next fiscal.
- This includes new ministry staff to help implement the regime, including four new Environmental Emergency Response Officers starting this April, along with new vehicles and spill response equipment.
- Funding will also be earmarked for First Nations training, a geographic response plan for Coastal First Nations and a First Nations Advisory Council on spills and environmental emergencies.
- Trans Mountain has also contributed \$200,000 towards initiatives aimed at advancing leak detection.

**9. You've said the federal government's Oceans Protection Plan is considered world-leading for today's marine traffic, but how can you check this condition off when it may not be world-leading when the pipeline is built considering there will be a significant increase in tanker traffic and a greater spill risk?**

- Much like our provincial spill regime, we expect this plan to evolve over time. The important thing is the federal government has stepped up to the plate and committed to a world-leading marine spill regime.

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

- The pipeline won't be built overnight and we will continue to work with our federal counterparts in the coming years to ensure what we have in place will meet the demands of increasing marine traffic.
- Trans Mountain must also meet its marine commitments to the NEB.

**10. Trans Mountain says they will cover the costs of a pipeline spill but not a tanker spill, which it says is the responsibility of tanker companies. I've heard that compensation is capped at about \$1.3 billion – well below potential damage costs. Who would bear the cost of a tanker spill? B.C. taxpayers? Alberta? The federal government?**

- Both the federal and provincial government operate under the polluter-pay model which puts the onus on the spiller. For marine spills, the federal government is currently in the process of strengthening their Ship-Source Oil Pollution Fund as part of their Oceans Protection Plan.
- The Oceans Protection Plan, once passed, will ensure there is unlimited liability available for clean-up and compensation, and dollars will get quickly into the hands of first responders and those affected by oil spills.

**11. Even though condition 4 is technically met, how can you support this project when some First Nations remain strongly opposed?**

- I am confident in the consultation and engagement that has been done by the Trudeau government and through the Province's work on the new provincial spills regime. In fact, there is support from many First Nations that will have portions of the pipeline cross over their traditional lands.
- Much like the Prime Minister has said, I respect people's rights to disagree and to have a peaceful protest that respects the law.

**12. The Ministerial Panel report describes a "boil-over" scenario, in which a fire at the Burnaby tank farm would force the evacuation of 35,000 people, including at Simon Fraser University. What are your thoughts on this?**

- While this scenario is unlikely, the City of Burnaby needs to work with the proponent to be prepared in order to ensure the safety of its residents. Trans Mountain has repeatedly invited the City of Burnaby to the exercises.
- As part of NEB's 157 conditions, Trans Mountain is required to implement appropriate emergency management, response and preparedness plans. These conditions all involve consultation with appropriate government authorities, first responders and potentially affected Indigenous groups followed by separate regulatory decisions by the NEB.
- As well, In February, 2016, amendments to the Environmental Management Act (EMA), were introduced and provide the legal foundation to establish a new, world-leading spill preparedness and response regime to address environmental emergencies in B.C.
- The proposed spills regime will ensure effective preparedness, response and recovery measures are in place for hazardous substance spills, from any source.



**13. If the end result was simply to get to yes, why the pretense of the 5 conditions?**

- The five conditions provided a pathway to 'yes' that protects the interests of British Columbia.
- Our government's position has always been clear and consistent. We will only support new heavy-oil pipelines in British Columbia if our five conditions can be met
- Meeting all five conditions was meant to be challenging. We set the bar high for a reason; we need to ensure B.C.'s concerns around the environment, First Nations participation and overall economic benefit are taken seriously.
- Our clear and principled approach to stand up for our province has paid off. With respect to Kinder Morgan's Trans Mountain pipeline project our 5 conditions have delivered:
  - A new Oceans Protection Plan from the federal government that is world leading.
  - Trans Mountain's proactive approach to marine protection and terrestrial spillage regime.
  - Provincial legislation that will establish a new, world-leading spill preparedness and response regime to address environmental emergencies in B.C.
  - First Nations having a direct say in the project, including new jobs and economic opportunities. We're told Kinder Morgan has signed 41 Mutual Benefit Agreements with First Nations in B.C. worth more than \$350 million and that the company has also provided \$13 million in capacity funding to assist First Nations in carrying out their due diligence.
  - Benefits for B.C. that reflect the degree of risk we bear for the project.

**14. There is huge opposition to this project in Vancouver, including from mayors and several Indigenous groups. How can you possibly square your decision with this opposition?**

- This decision to approve the project was made by the Trudeau government because interprovincial pipelines are federal jurisdiction. To that end the Prime Minister has said the project is in the national interest.
- Our responsibility is to make sure B.C. interests are protected, and that is why we have been clear, consistent with our principled stand that our five conditions must be met before we would support this project.

**15. Are you concerned about worker safety, given the intense opposition to the project by some?**

- Certainly it is our job to ensure a safe work environment for all workers in B.C.
- Much like the Prime Minister has said, I respect people's rights to disagree and to have a peaceful protest that respects the law.

**16. How does this project fit within the B.C. government's targets on GHG emissions?**

- The vast majority of emissions are from crude oil production in Alberta, and so are not relevant to B.C.'s GHG reduction targets.
- The NEB has imposed a condition that Kinder Morgan must a plan for providing offsets for all direct GHG emissions generated from Project construction. This has been strengthened by a Provincial condition to quantify and report emissions in a manner that is consistent with B.C.'s *GHG Industrial Reporting and Control Act* and its regulations.

**17. How can we possibly meet climate commitments made in Paris if projects such as this go ahead?**

- Since 2007, our climate actions have been successful in controlling GHG emissions while maintaining a strong economy.
- Due to the Province's successful climate policy, B.C.'s GHG emissions per capita is among the lowest in Canada.
- As part of the COP 21 agreement the federal government committed to a national emissions reduction target. As the regulator of inter-provincial pipelines it is the federal government's responsibility to ensure emissions are managed so that federal commitments are achieved.

**18. The Pan Canadian Framework on Clean Growth and Climate Change says Alberta is working with BC and Ottawa on new and enhanced interties, to increase electricity imports from B.C. Is B.C. receiving any direct financing to support these projects? Is this part of the 5<sup>th</sup> condition; B.C. getting its fair share of economic benefits from the Trans Mountain Pipeline Project?**

- Interties will help Alberta reduce its GHG emissions by moving from coal powered electricity to a clean supply, and managing the variability of intermittent wind and solar projects using clean and reliable hydroelectric power from B.C.
- This is consistent with Canada's GHG reduction strategy, and the type of infrastructure Canada has indicated it wants to invest in.
- B.C. looks forward to further discussions with Alberta and the federal government.

**19. Given the financial implications of a spill, not just in clean-up but also in lost economic opportunity such as tourism, how can you justify BC taking such a huge risk by supporting this?**

- The Prime Minister has clearly stated he believes this project is in the national interest and while B.C. is assuming the lion's share of the risk associated, the five conditions were put in place for just this reason.
- By satisfying our five principled conditions, I feel B.C. is now in a much better spot in terms of environmental protection, overall First Nations support and economic benefits

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

**20. How can you justify the risks of this project to southern resident killer whales?**

- This is an issue that will require the Federal government to work closely with the marine shipping industry.
- The Federal government has recently announced that they have earmarked a portion of the Oceans Protection Plan for whale protection, including the southern resident killer whale pods.

**21. How can you justify the risks of this project to the Southern Mountain Caribou?**

- Caribou management plans are broad undertaking that will require the cooperation of all levels of government and various industries and proponents
- The NEB has recommended conditions for Kinder-Morgan to mitigate the effects of the Project on Southern Mountain Caribou. The federal government will work with the NEB to assist the proponent in meeting the conditions.

**22. Have you insisted on jobs going to B.C. workers?**

- Yes. B.C. workers will be at the front of the line for jobs in our province.

**23. What is involved in this project?**

- The project will increase capacity from 300,000 barrels of oil per day to 890,000 by twinning the existing Trans Mountain pipeline that currently transports oil from Edmonton to Burnaby, BC.
- The project would also expand the Westridge Marine Terminal to allow it to increase the number of tankers per month it can receive from 5 to 34.
- The pipeline will follow existing rights-of-way for 89 percent of the route, and adds two berths to an existing marine terminal.

**24. What are the expected economic benefits of the project for B.C.?**

- The economic benefits the province will receive in terms of tax revenues, and jobs and economic benefits for First Nations and communities are extensive:
  - 75,110 person-years of employment for B.C. throughout construction and operation
  - \$3.8 billion in GDP to B.C. in construction and \$15.3 billion (over 20 years) during operation for a total of \$19.1 billion.
  - Estimated \$2.2 billion in provincial tax revenue, including construction and operation benefits.
  - Estimated \$512 million in property taxes to municipalities in B.C. over 20 years of operation.

**25. What are the next steps for the proponent to build the project?**

- Kinder Morgan needs to confirm its Financial Investment Decision.
- There are a number of major steps that must occur before construction can begin, including permits and authorizations in B.C. and Alberta. The timing of construction will depend on how the proponent proceeds. TMP plans to begin construction in September 2017.
- The Province of British Columbia will be responsible for issuing investigative permits and authorizations under several different pieces of legislation (the Forest Act, Forest and Range Practices Act, Forest Practices Code of British Columbia Act, Weed Control Act, Land Act, Agricultural Land Commission Act, Fisheries Act, Fisheries Protection Act, Water Act, Environmental Management Act, Wildlife Act, Heritage Conservation Act, Transportation Act, and Industrial Roads Act).

**26. How will the two new multi-purpose tow-capable vessels be deployed? Where will they be based? Do they stay moored until requested to respond to an incident or do they do regular patrols?**

- The Coast Guard will lease two multi-purpose tow-capable vessels to augment its towing capability in British Columbia. One will operate off the southwest coast of Vancouver Island in and around the Strait of Juan de Fuca, and the other will operate on the north coast of the province.
- These vessels will provide an additional layer of marine safety for shipping on the west coast by being available if required to assist disabled vessels that commercial salvage and tug operators cannot reach fast enough to avoid disaster.
- While being equipped, trained, and prepared to render emergency towing assistance, these vessels will conduct the full range of Coast Guard programming on a day-to-day basis. This includes search and rescue, environmental response, maintenance of aids to navigation, training of Coast Guard crews and other mariners such as Indigenous seafarers.

**27. What is the breakdown of the OPP? How much is earmarked for B.C. but where is the remainder going?**

- After accounting for administration costs the lion's share of the \$1.5 billion OPP will be directed to B.C.
- That means Newfoundland, Nova Scotia, Quebec and New Brunswick on the Atlantic and two territories and Nunavut on the Arctic Coast will share the rest.

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**KEY MESSAGES | QUESTIONS AND ANSWERS**

**28. If there are additional benefits from Kinder Morgan that would go to environmental initiatives as has been publicly stated, can you provide examples of what kinds of initiatives that would include?**

- Examples of potential projects eligible for funding under the BC Clean Communities program include, but are not limited to:
  - Purchasing land for parks.
  - Restoring historic sites
  - Cleaning up orphaned sites or spills where the polluter is unknown.
  - Restoring habitat
  - Controlling invasive species
  - Cleaning up beaches, rivers or public waterfront property
  - Establishing and promoting recycling programs in small, rural communities.
  - Marine conservation and monitoring.

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## NEWS RELEASE

For Immediate Release  
2017PREM0002-000050  
Jan. 11, 2017

Office of the Premier  
Ministry of Environment

### **Five conditions secure coastal protection and economic benefits for all British Columbians**

VANCOUVER – Following the Trudeau government’s approval of Kinder Morgan’s Trans Mountain Pipeline Project, the Province’s clear, consistent and principled position on its five conditions has resulted in tangible and significant investments that will protect British Columbia’s environmental and economic interests.

“The five conditions is an articulation of the way we do business in British Columbia,” Premier Christy Clark said. “We set the bar high to stand up for B.C. to protect our coast and environment, ensure opportunities for First Nations participation and secure a fair share of economic benefits for all British Columbians.”

#### **Protecting B.C.’s Coast**

The Trudeau government has taken action on B.C.’s second condition related to world-leading marine spill prevention, response and recovery with a \$1.5-billion Oceans Protection Plan. A commitment to a world-leading system is an ongoing commitment for continuous improvement with additional investments as required in the future. B.C. will work closely with Canada to confirm we have a world-leading system in place on our coast prior to Trans Mountain commencing operations, as early as December 2019.

B.C. has identified 10 areas where action is required on our coast to achieve a world-leading system. The Federal Government’s commitment to taking action on all 10 areas through the Ocean Protection Plan means the largest share of the \$1.5 billion investment would be made on the British Columbia coast. That includes First Nations and community training, new technology, staff and equipment including two new salvage tugs capable of rescuing and towing large vessels.

Additionally, Trans Mountain has committed to significant enhancements consistent with B.C.’s condition 2. These include a commitment that tankers will be escorted by a tug for the entire transit up to Race Rocks, and a \$150 million investment that will result in a doubling of spill response capacity and halving response times along the Salish Sea.

The Oceans Protection Plan insures B.C. against any cost associated with a potential spill by providing a guarantee of unlimited funds available for clean-up and compensation, allowing dollars to get quickly into the hands of first responders and those affected by oil spills. This backstops B.C.’s polluter-pay principle, which ensures those who are responsible for spills are also responsible for cleaning them up.

#### **B.C.’s Fair Share**

British Columbia’s fifth condition related to a fair share of fiscal and economic benefits has



resulted in an agreement that:

- has British Columbians first in line for jobs of the more than 75,000 person-years of employment;
- will boost B.C.'s GDP by \$19.1 billion during construction and operations over 20 years; and
- generates over \$2.2 billion in tax revenue for provincial and local governments.

In addition, B.C. has achieved an unprecedented agreement with Kinder Morgan to receive a significant investment worth up to \$1 billion. The company will pay the Province between \$25 million and \$50 million annually for 20 years. This is the first time in B.C. that a company will share revenue from a large industrial project directly with the Province.

All of these revenues will be dedicated to a new BC Clean Communities Program. Under this new program, community groups across B.C. will be able to apply annually for grants to invest in protecting and enhancing B.C.'s environment (more details in Backgrounder 3).

### **Conditions 1, 3 & 4**

The remaining conditions have either been, or are being satisfied. The first condition requiring environmental approval has been met at both the federal and provincial levels. B.C.'s EA certificate added another 37 conditions to further protect wetlands, wildlife habitat and caribou and grizzly populations.

The third condition requiring world-leading, land-based spill response is addressed through provincial legislation passed last year, which will establish a world-leading spill preparedness and response regime. Regulations will be enacted in 2017.

The fourth condition requiring opportunities for First Nations as well as addressing legal and treaty rights is being addressed by both the federal government and the company.

Approving interprovincial pipelines is a federal responsibility. In May 2016, the National Energy Board recommended approval of the Trans Mountain project with 157 conditions. In November 2016, the Trudeau government gave federal approval for the project.

Three backgrounders follow.

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## BACKGROUND 1

For Immediate Release  
2017PREM0002-000050  
Jan. 11, 2017

Office of the Premier  
Ministry of Environment

### **What British Columbia's 5 Conditions have secured**

#### **Condition 1: Successful completion of the environmental review process.**

- On May 19, 2016, the National Energy Board (NEB) recommended to the federal government that the project be approved, subject to 157 conditions.
- On Nov. 29, 2016, the Trudeau government announced its approval of the Trans Mountain Expansion Project.
- The provincial environmental assessment process began nine months ago. Aboriginal consultation efforts have been conducted jointly with the federal government.
- After careful review, the Province has issued an EA certificate for Kinder Morgan's Trans Mountain Expansion Project with 37 specific conditions attached.
- These conditions are based on the NEB's report, the consideration of additional information and Aboriginal consultation to date.
- The conditions attached to this decision are legally binding and must be completed to ensure Aboriginal interests are accommodated and the Province is satisfied.

#### **Condition 2: World-leading marine oil spill response, prevention and recovery systems for B.C.'s coastline and ocean to manage and mitigate the risks and costs of heavy oil pipelines and shipments.**

- The federal government's \$1.5-billion Oceans Protection Plan is a world-leading marine safety system with new preventive and response measures. The lion's share of the federal government's Oceans Protection Plan will be directed to B.C. ensuring a truly world leading marine response regime.
- Trans Mountain has committed to significant enhancements consistent with B.C.'s condition 2. These include a commitment that tankers will be escorted by a tug for the entire transit up to Race Rocks, and \$150 million investment that will result in a doubling of spill response capacity and halving response times along the Salish Sea.

#### **Condition 3: World-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks and costs of heavy oil pipelines.**

- In May, 2016, amendments to the Environmental Management Act (EMA) were passed which provide the legal foundation to establish a new, world-leading spill preparedness and response regime to address environmental emergencies in B.C.
- The new legislated requirements for a provincial spills regime were the result of over three years of engagement with industry, First Nations, local government and other key stakeholders.
- The legislation includes the following:
  - Establishes new requirements for spill preparedness, response and recovery.

- Creates new offences and penalties.
- Enables the certification of a Preparedness and Response Organization.
- Increases transparency, participation and accountability.
- The provincial regime is intended to address all types of spills that cause pollution or threaten public safety regardless of their source.
- Trans Mountain's commitments to safety include:
  - Enhanced Emergency Management Program with increased requirements, such as a greater focus on geographic response planning and response equipment, and funding inland geographic response planning development in B.C.
  - Minimum of 12 exercises along the pipeline; more than what is currently required.
  - Continual assessment and improvement including annually updated Emergency Management Plans, regular review of geographic response plans, a robust training and exercise program and an emergency management after incident/exercise reporting process.

**Condition 4: Legal requirements regarding Aboriginal and treaty rights are addressed, and First Nations are provided with the opportunities, information and resources necessary to participate in and benefit from a heavy-oil project.**

- Kinder Morgan has had over 30,000 points of contact with First Nations throughout their engagement process.
- Prime Minister Trudeau has confirmed the substantial progress that's been made on consultation and accommodation, including a First Nations monitoring and advisory committee with a \$64 million funding envelope.
- Kinder Morgan has signed 41 Mutual Benefit Agreements with First Nations in B.C. worth more than \$350 million, and the company has also provided \$13 million in capacity funding to assist First Nations in carrying out their due diligence.
- There will be continued engagement with First Nations in the case of this pipeline as with many other projects.

**Condition 5: British Columbia receives a fair share of the fiscal and economic benefits of a proposed heavy oil project that reflects the level, degree and nature of the risk borne by the Province, the environment and taxpayers.**

- The economic benefits B.C. is receiving as a result of government's consistent and principled position includes (updated economic numbers from the 2012 submission to the National Energy board):
  - 75,110 person-years of employment for B.C. throughout construction and operation.
  - \$3.8 billion in GDP to B.C. in construction and \$15.3 billion (over 20 years) during operation for a total of \$19.1 billion.
  - Approximately \$2.2 billion in provincial tax revenue, including construction and operation benefits.
  - Estimated \$512 million in property taxes to municipalities in B.C. over 20 years of operation.
- In addition B.C. will receive significant fiscal benefits direct from Kinder Morgan worth up to \$1 billion.

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## BACKGROUND 2

For Immediate Release  
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Office of the Premier  
Ministry of Environment

### **Elements of world-leading marine protection and response**

- New, modern radar and navigation systems, as well as improved weather services to allow for proactively managing vessel routing.
- Improved emergency training and capacity building for First Nations and others so they can more effectively act as B.C.'s first responders on the coast.
- Upgrades to Canadian Coast Guard (CCG) facilities along the coast (Prince Rupert to Bella Bella to Powell River), including improvements to equipment, personnel and infrastructure.
- Two multi-purpose tow-capable vessels to augment CCG's towing capability in B.C.
- New, dedicated Emergency Response teams created under the Canadian Coast Guard.
- Response equipment staged in urban centres, so the coast guard can ensure quick deployment.
- Establishment of a 24-7 emergency operations centre in Port Hardy.
- Improvement to the Polluter Pays regime, where funds will be more immediately available to deal with response and clean-up.

Trans Mountain's commitments will further contribute to enhancing marine protection:

- Requiring all tankers calling at the Westridge Marine Terminal meet strict, internationally accepted construction and operation standards;
- Only double hulled tankers will be allowed and they must go through rigid pre-screening and physical inspection;
- Two expert local pilots will be on board loaded tankers from Westridge Marine Terminal to Victoria.
- Tug escort regime will be extended to cover the tanker route up to Buoy Juliet ("J Buoy"), located at the entrance to Juan de Fuca Strait.
- Prescribing minimum tug requirement for outbound vessels for the Strait of Georgia, including Juan de Fuca Strait.
- More than \$150 million invested in Western Canada Marine Response Corporation, an industry-funded, Transport Canada-certified response organization, to create new response bases, fund new equipment and create 100 new jobs. Investment will double existing spill response capabilities and cut realized response times in half.
- Enforcing a Tanker Acceptance Standard that provides a dedicated loading master with the authority to stop or abort cargo transfer operations should a marine risk or noncompliance occur.

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## BACKGROUND 3

For Immediate Release  
2017PREM0002-000050  
Jan. 11, 2017

Office of the Premier  
Ministry of Environment

### **Benefits agreement between Kinder Morgan and the Province of British Columbia**

In an unprecedented agreement between the Province of British Columbia and a private company, B.C. will receive significant fiscal benefits direct from Kinder Morgan worth up to \$1 billion. The company will pay the Province between \$25 million and \$50 million annually for 20 years. The actual amount paid to the Province each year will depend whether the expanded pipeline is operating at full capacity on its spot market contracts.

Revenues from the Trans Mountain expansion will be dedicated to the new BC Clean Communities program, a source of funding for projects that protect the environment and benefit communities. The BC Clean Communities program will launch once revenues to the Province from Kinder Morgan commence.

When the BC Clean Communities program is fully in place, it will be based on the following principles:

- A grant application process will be established, similar to the current gaming grant application process.
- Revenues will be dispersed as grants for grassroots, community-led environmental protection or enhancement initiatives.
- Grants can be combined with other funding sources that require matching funds, however, BC Clean Communities grants will not require matching funds by applicants.
- B.C.'s polluter pay principle will remain paramount. Funds from BC Clean Communities will not be allowed to replace a polluter's requirement to pay for clean-up and compensation.

Examples of potential projects eligible for funding under the BC Clean Communities program include, but are not limited to:

- Purchasing land for parks.
- Restoring historic sites
- Cleaning up orphaned sites or spills where the polluter is unknown.
- Restoring habitat
- Controlling invasive species
- Cleaning up beaches, rivers or public waterfront property
- Establishing and promoting recycling programs in small, rural communities.
- Marine conservation and monitoring



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