From: Bain, Don PREM:EX

To: Hannah, Matt GCPE:EX; Aaron, Sage PREM:EX; Meggs, Geoff PREM:EX; Clark, Layne PREM:EX; Oreck, Mira

PREM:EX; Sanford, Donna L GCPE:EX; Lloyd, Evan GCPE:EX; Van Meer-Mass, Kate PREM:EX

Subject: Indigenous Leaders Announce Mass Mobilization, Escalation to Protect Waters, Lands & Climate from KM

Date: Tuesday, February 6, 2018 10:00:20 AM

Importance: High

FYI

C . T . L . C . 2000 2 45 44

Sent: Tuesday, February 6, 2018 9:46 AM

To: Bain, Don PREM:EX

Subject: Indigenous Leaders Announce Mass Mobilization, Escalation to Protect Waters, Lands & Climate

from KM

Importance: High

For Immediate Release

February 6, 2018

Indigenous Leaders Announce Mass Mobilization, Escalation to Protect Waters, Lands & Climate from Kinder Morgan

Copyright

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More information about the mobilization can be found at www.protecttheinlet.ca -30-

If you have questions or would like to set up an interview with a spokesperon, contact Tegan Hansen, media@protecttheinlet.ca, 604-649-8184

Questions about the titleandrightsalliance list? Contact matthew@ubcic.bc.ca

Follow us http://twitter.com/UBCIC

To unsubscribe send an email to titleandrightsalliance-unsubscribe@npogroups.org

From: Nash, Amber PREM:EX
To: Van Meer-Mass, Kate PREM:EX
Subject: FW: Trans Mountain pipeline

 Date:
 Tuesday, February 6, 2018 1:22:53 PM

 Attachments:
 SKMBT_C554e18020115150.pdf

From: Rochon, Jake PREM:EX

Sent: Tuesday, February 6, 2018 1:20 PM

To: Nash, Amber PREM:EX

Subject: FW: Trans Mountain pipeline

FYI!

From: Hunt, Steve [mailto:shunt@usw.ca]
Sent: Thursday, February 1, 2018 2:57 PM

To: Minister, ENV ENV:EX

Cc: OfficeofthePremier, Office PREM:EX Subject: Trans Mountain pipeline

Please see attached correspondence.

Stephen Hunt, Director United Steelworkers District 3 300-3920 Norland Avenue Burnaby, BC V5G 4K7

P: 604-683-1117 C: 604-816-2554 E: <u>shunt@usw.ca</u>

UNITED STEELWORKERS



UNITY AND STRENGTH FOR WORKERS

District 3

Western Provinces and Territories

Stephen Hunt District Director

VIA E-MAIL: ENV.Minister@gov.bc.ca

February 1, 2018

Hon. George Heyman Minister of Environment and Climate Change Strategy Parliament Buildings Victoria, BC V8V 1X4

Dear Minister Heyman,

I write today to express the strong concerns of the United Steelworkers about the actions the Government of British Columbia has announced it intends to take to stop the Trans Mountain pipeline.

Members of the United Steelworkers are proud that the pipeline will be utilizing Canadian-made, USW-built pipe. But it's not just Steelworkers. The Trans Mountain pipeline will also offer family-supporting employment to thousands of working people. We stand with them.

This project has undergone a tremendous amount of scrutiny and a lengthy review process during which thousands of Canadians were able to voice their opinions. This process resulted in a green light from the Government of Canada to proceed.

I respect that your government has a different opinion, but the appropriate level of government has made a decision after an exhaustive process. It is not within your government's jurisdiction to undo this decision by attempting to assume powers that do not exist within the Canadian constitution.

These actions are reckless, inappropriate, send a dangerous message and would set an even more dangerous precedent.

On behalf of the United Steelworkers, and working people whose livelihood depends on this project proceeding, I urge your government to withdraw its proposed actions.

Sincerely,

Stephen Hunt

Director

SH/bw/dl

cc: Hon. John Horgan, Premier

our ref: 1820-110 BC Gov't

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

300 - 3920 Norland Avenue, Burnaby, BC V5G 4K7 • 604-683-1117 • 604-688-6416 [Fax] • www.usw.ca

From: Rochon, Jake PREM:EX

To: Van Meer-Mass, Kate PREM:EX; Hannah, Matt GCPE:EX

Subject: FW: FIX IT WITH Alberta, NOW!

Date: Thursday, February 8, 2018 9:15:11 AM

Hello!

We received this message from yesterday. The tone of the email (and content re: the economy at the end) would normally warrant me either sending a basic acknowledgement or even just logging it and closing, but I wanted to get some input from you.

s.13 How would you like us to handle it? Thank you!

From: s.22

Sent: Wednesday, February 7, 2018 11:16 AM

To: OfficeofthePremier, Office PREM:EX

Cc: Larson.MLA, Linda LASS:EX
Subject: FIX IT WITH Alberta, NOW!

Mr. John Horgan,

s.22

And this "WAR" is only one day in and HAS ALREADY DEALT US A
BLOW! \$.22

s.22

S.22 You need to fix this, now! It's already damaging the BC wine industry and hurting a small family owned winery (us) and many more I'm sure. We don't care that Notley is acting irrational also... we can't stop that... but we care that our government is.

s.22 while you try to take AB to court "for

us"! If you were really behind the BC wine industry as you were quoted... you'd fix this any way you can and right NOW. Though it occurs to me that "Stand Behind" is exactly what you are doing.... standing behind us, doing nothing, watching us get shot. Alberta isn't "threatening" they've done it... it's in action.

Your slowing down of the pipeline ALREADY studied and approved by the Federal Government of Canada and already studied extensively for environment and regulatory issues... is bull crap! Until the world no longer utilizes oil products... which we agree we should be working towards... we need to allow this pipeline through and stop messing around.

s.22

is an innocent victim of a petty dispute between two irrational NDP governments! This certainly can't be helping the perception that NDP is "bad for business" – in fact It's another step

just proving that point.

Two NDP governments messing around is the way we see... Premier Notley... is using this as a way to try to make Albertan's forget how much she has messed up their economy in the past three years or so... and YOU the BC NDP messing about with BC's economy... selling BC to China is worse than the pipeline could be... why don't you focus on making business viable and then using the tax dollars generated to do something that is an actual "humanitarian need", which the NDP is supposedly all about, in BC like helping with the affordable housing crisis throughout BC (both in Greater Vancouver – also because of China and the rest of Asia) and here in the Okanagan.

Regards, s.22

Page 007 to/à Page 009

Withheld pursuant to/removed as

s.14



File OF-Fac-Oil-T260-2013-03 03 18 January 2018

Mr. Shawn H.T. Denstedt, Q.C. Osler, Hoskin & Harcourt LLP Suite 2500, 450 – 1st Street SW Calgary, AB T2P 5H1 sdenstedt@osler.com

Ms. Maureen Killoran, Q.C. Osler, Hoskin & Harcourt LLP Suite 2500, 450 – 1st Street SW Calgary, AB T2P 5H1 mkilloran@osler.com

Dear Ms. Killoran and Mr. Denstedt:

Trans Mountain Pipeline ULC (Trans Mountain)
Trans Mountain Expansion Project (Project)
Notice of motion dated 14 November 2017 regarding future National Energy Board (NEB or Board) process for permitting matters (Motion)
Board Decision

A. Background

Certificate of Public Convenience and Necessity OC-064 (Certificate), along with certain other Board Orders, authorizes the construction and operation of the Project. Certificate Conditions 1 and 2 read as follows:

1. Condition compliance

Trans Mountain must comply with all of the Certificate conditions, unless the NEB otherwise directs.

2. Compliance with commitments

Without limiting Conditions 3, 4, and 6, Trans Mountain must implement all of the commitments it made in its Project application or to which it otherwise committed on the record of the OH-001-2014 proceeding.

In the course of the Board's hearing to consider the Project (OH-001-2014), Trans Mountain committed to apply for, or seek variance from, provincial and municipal permits and authorizations that apply to the Project. The Board summarized this commitment, which falls within the purview of Certificate Condition 2, at Page 251 of its Report, as follows:

.../2

Suite 210, 517 Tenth Avenue SW Calgary, Alberta T2R 0A8 517, Dixième Avenue S.-O., bureau 210 Calgary (Alberta) T2R 0A8



Telephone/Téléphone : 403-292-4800 Facsimile/Télécopieur : 403-292-5503

www.neb-one.gc.ca

Telephone/Téléphone: 1-800-899-1265 Facsimile/Télécopieur: 1-877-288-8803 Trans Mountain said it would apply for, or seek variance from, all permits and authorizations that are required by law, and would continue to work with all municipalities to understand the applicability of bylaws and standards related to the construction and operation of the Project.

On 14 November 2017, Trans Mountain filed a Motion (and Book of Authorities) in which it requested:

- a) that a standing Panel of the Board be struck to determine Trans Mountain's compliance with, or variance from, Condition 2 of the Certificate as it relates to Trans Mountain's commitment in respect of provincial and municipal permits and authorizations; or, in the alternative, that the existing standing Panel of the Board, struck to determine condition compliance in respect of the Project, also determine Trans Mountain's compliance with, or variance from, Condition 2 of the Certificate as it relates to Trans Mountain's commitment in respect of provincial and municipal permits and authorizations; and,
- b) that time lines for determining compliance with, or variance from, Condition 2 be set as follows:
 - Trans Mountain or the relevant permitting authority (or authorities, depending on the context) may apply for an Order of the Board regarding compliance with, or variance from, Condition 2. Requests would include the specific relief requested from the Board and the relevant background information. The application may seek an Order with respect to one or multiple permits;
 - ii) the permitting authority or Trans Mountain, as the case may be, may file a response within seven (7) days of the request. For permitting authorities, this response would include the specific information they require to issue the permit or group of permits in question;
 - iii) the applicant may file a reply within four (4) days of the other party's response; and,
 - iv) the Board will use all reasonable efforts to issue an Order within seven (7) days of the reply ordering Trans Mountain to proceed, and specifying the conditions, if any, on the work to be undertaken as may be required to comply with Condition 2.

The Motion subsumes a portion of the relief sought in an earlier notice of motion and notice constitutional question (NCQ) that Trans Mountain filed on 26 October 2017 (specifically, Paragraph 1c) of that motion relating to potential future Board process). On 15 November 2017, the Board decided to consider the two motions separately. The balance of Trans Mountain's 26 October 2017 filing was considered via a separate process (Hearing MH-081-2017), the full record of which can be found here. In reaching its decision on this Motion, the Board considered submissions made in the MH-081-2017 proceeding prior to the Board's decision to separate the motions, to the limited extent that they related to future process.

B. Written comment process and filings received

On 16 November 2017, the Board set down a <u>written comment process</u> to consider the Motion. All persons potentially impacted by the Motion were permitted to file comments by 28 November 2017.

The Board received comments opposing the Motion from the <u>Attorney General of British</u> <u>Columbia</u> (British Columbia), the <u>City of Chilliwack</u> (Chilliwack), the <u>City of Surrey</u> (Surrey), <u>Katzie First Nation</u>, and the <u>Township of Langley</u> (Langley).

Comments supporting the Motion were received from the <u>Attorney General of Canada</u> (Canada) and the <u>Province of Alberta</u> (Alberta).

Trans Mountain was permitted to, and did, file reply by 4 December 2017.

C. Trans Mountain's submissions

Trans Mountain argued that the Board has the authority to grant the Motion pursuant to sections 12 and 13 of the *National Energy Board Act* (NEB Act) and Certificate Condition 1. It submitted that the Board has broad, exclusive jurisdiction to make orders and establish processes related to Trans Mountain's compliance with Certificate conditions. It further submitted that the Board would not be fettering its discretion, as the process would be generic in nature. Any party could seek process modifications based on the specific circumstances in any given case.

Trans Mountain also argued that the Motion in and of itself does not raise a question of constitutional law, and that, if any specific dispute were to engage a new question of constitutional law, Trans Mountain would follow the necessary procedural steps at that time.

Trans Mountain submitted that its proposed process is transparent, efficient, fair for all parties, and would provide regulatory certainty needed for the Project to be completed. It stated that the Project has already undergone a detailed and rigorous review over more than five years of process, and it has been found to be in the public interest of Canada.

Trans Mountain argued that it has a right to timely consideration of compliance matters. It also argued that the timing for Project execution is critical, noting that, as a principal result of delays in the regulatory and permitting processes, the planned Project in-service date has moved from 31 December 2019 to 30 September 2020 (absent mitigation or acceleration measures).

Trans Mountain submitted that provincial and municipal permitting presents a large number of potential compliance issues (several thousand permits are required). Trans Mountain stated that, without process certainty to manage potential future compliance obstacles, it will be unable to carry out construction in an orderly and efficient manner. It submitted that risks to its

construction schedule, in combination with delays that the Project has already encountered, could put the Project in jeopardy. It argued that Project delays or cancellation will result in the loss of significant economic and social benefits to Canada, adversely affect municipalities and Indigenous communities, and cause substantial harm to Trans Mountain and Project shippers.

Trans Mountain indicated that it has worked cooperatively with provincial and municipal authorities and has had, for the most part, positive interactions with them. It expects to obtain the necessary permits on a schedule and on terms mutually agreeable to the relevant parties. However, it submitted that there is a good probability that disputes or uncertainties may arise regarding compliance with municipal permitting. It stated that it has already encountered continuing delays in the City of Burnaby's (Burnaby's) permitting process.

D. Interested parties' submissions

i) British Columbia

British Columbia submitted that Trans Mountain has led no evidence to suggest that there are, or likely will be in future, any issues arising in relation to permitting and authorizations on matters within British Columbia's jurisdiction. It argued that the Board should not speculate that provincial or municipal permitting authorities may fail to issue permits and authorizations in a timely fashion. British Columbia submitted that the Board can only recommend Certificate variations to the Governor in Council and that there is no rationale for the Board to set up a standing panel to hear variance applications.

British Columbia described its agreement with Trans Mountain, which contains a dispute resolution process regarding provincial regulatory and decision-making processes (Agreement). It argued that the Board should dismiss the Motion on the basis that Trans Mountain has an adequate alternative remedy available to it under that Agreement.

British Columbia submitted that any future motions to vary Certificate Condition 2 will, in each case, likely raise a constitutional question, and that the Board should require service of a NCQ in any case where the validity, applicability, or operability of a provincial enactment is at issue.

British Columbia argued that a template schedule should not be used for future motions. To be effective, schedules must take into account the factual and legal complexities of the particular matter at issue. It submitted that the Project presents a complex regulatory challenge for the Province; estimating that approximately 1,200 provincial permits are required. British Columbia stated that it has a responsibility to consider each permit application and to consult with Indigenous peoples whose interests are affected by permitting decisions. It argued that, while it would be *ultra vires* a permitting authority to refuse a Project permit, a permitting authority may impose conditions.

ii) Chilliwack

Chilliwack submitted that, for any municipal permit disputes, the Board should establish an appropriate specific process, as necessary to adequately deal with the matter. It stated that there is no need to create a pre-emptive generic process. Chilliwack argued that, without knowing what permitting disputes Trans Mountain is trying to address, it cannot determine whether the proposed process will be adequate, which it submitted is unacceptable and unfair.

Chilliwack expressed concern that Trans Mountain will use the proposed process as a pressure mechanism or leverage against Chilliwack. It requested that, if the Board grants the Motion, Trans Mountain be required to pay all expenses that Chilliwack reasonably incurs in respect of each application initiated by Trans Mountain under the process.

iii) Katzie First Nation

Katzie First Nation submitted that the Motion is essentially a request for a change in the nature of the Project approval. It argued that the proposed process marginalizes Aboriginal groups. Katzie First Nation also submitted that provincial regulatory processes must be allowed to proceed in a manner that ensures that the honour of the Crown is upheld in decision-making relevant to the Project. It is of the view that, because Trans Mountain is proposing to abridge or alter that process, it could fundamentally undermine the engagement of Aboriginal groups in respect of future authorization and regulatory processes.

Katzie First Nation argued that Trans Mountain does not have the right to have the Board dictate to provincial decision-makers how and when to proceed to a decision point, or to determine through the proposed process whether a provincial authorization is required.

iv) Langley

Langley submitted that the Motion is premature and that Trans Mountain's proposed process is onerous, rigid, and unnecessary. It stated that it has not delayed or withheld any municipal permits, and it is uncertain what disputes Trans Mountain anticipates that the proposed standing panel would consider and whether the proposed process would be adequate to address such disputes. It argued that establishing a pre-emptive "one-size-fits-all" process creates unnecessary rigidity without material benefit.

Langley further submitted that the proposed process does not have clear triggers, but has onerous deadlines, making it vulnerable to misuse. It indicated that Trans Mountain's commitment to apply for, or seek variance from, provincial and municipal permits and authorizations is of paramount importance to Langley. It requested that, should the Board grant the Motion, Trans Mountain be required to pay all expenses reasonably incurred by a municipality if Trans Mountain triggers the process.

v) Surrey

Surrey submitted that the Motion is an attempt to unlawfully fetter, circumvent, and undermine the legislative scheme to the detriment of municipalities. It argued that, only after certain regulatory steps are taken, including detailed routing decisions for the Project, can municipalities and the Board give real and meaningful consideration to appropriate terms and conditions to be included in any municipal permits.

Surrey submitted that the Board does not have jurisdiction to grant the relief sought by Trans Mountain and that the Board should refrain from making any determinations based on hypothetical denials of municipal permits.

vi) Canada

Canada submitted that a standing panel may be a practical way for the Board to provide procedural predictability and timely direction, thereby increasing clarity to Canadians and assisting with orderly and efficient compliance oversight.

Canada further submitted that potential future processes before a standing panel could raise matters of constitutional law and that the Board should continue to provide appropriate notice to attorneys general on a case-by-case basis.

vii) Alberta

Alberta submitted that the requested streamlined process is reasonable and necessary to address the critical compliance risk that Trans Mountain identified. It argued that the Board has the authority to grant the relief sought by Trans Mountain and that the Board can exercise its discretion to adjust the streamlined process as necessary to ensure notice requirements to the attorneys general are met in the event that a constitutional question arises.

E. Trans Mountain's reply submissions

In its reply, Trans Mountain submitted that the Motion does not seek to vary Certificate Condition 2, or to otherwise vary the Project or the Certificate. It argued that the Board has the authority to provide direction on compliance with Certificate conditions, including the ability to govern its own proceedings and to indicate to Trans Mountain how, or in what manner, any of the Certificate conditions may be complied with.

Trans Mountain submitted that the requested process is comprehensive and is a prudent and efficient use of the Board's resources. It argued that the proposed timelines are reasonable, given that permitting authorities are familiar with the Project and the permitting requirements, and that the majority of disputes are likely to be straightforward. Trans Mountain also stated that its Agreement with British Columbia does not prevent it from seeking regulatory relief.

Trans Mountain stated that the relief sought in the Motion would not marginalize Aboriginal groups or have any impact on constitutional obligations owed to Aboriginal groups. It stated that it is committed to meaningful consultation with Aboriginal groups.

Trans Mountain submitted that it has filed detailed evidence regarding the need for process certainty due to the critical nature of Project execution and timing. It argued that it is not required at this time to submit evidence of permitting failures for each individual permitting authority affected by the Project.

Trans Mountain argued that it is speculation as to whether future permitting matters would raise a constitutional question. It argued that the Motion itself does not raise a constitutional question and the issue of whether future motions may do so is a matter for another day.

Lastly, Trans Mountain objected to a portion of Surrey's filing, on the basis that it referred to submissions that Burnaby made in the separate MH-081-2017 proceeding. With respect to this point, Surrey filed a 4 December 2017 <u>letter</u> stating that it is immaterial whether referred-to Burnaby materials form part of the process to consider this Motion, as Surrey has incorporated them onto this record by reference. In a subsequent 4 December 2017 <u>letter</u>, Trans Mountain objected to Surrey's letter, submitting that Surrey is not afforded a right of sur-reply.

F. Views of the Board

For the reasons that follow, the Board has decided to grant the Motion in part. In Appendix 1 to this decision, the Board has set down a generic process that it will use to consider any future motions to the Board with respect to Trans Mountain's compliance with Certificate Condition 2, insofar as it relates to Trans Mountain's application for, or variance sought from, a provincial or municipal authorization or permit for the Project.

In accordance with the provisions of the NEB Act, the Chairperson of the Board will determine which Board members will hear and decide on any motion or motions filed under the generic process (for example, by way of a standing panel).

i) Trans Mountain's objection to Surrey's filing

With respect to Trans Mountain's objection to a portion of Surrey's submission on this Motion, the Board has considered Surrey's submission, including the Burnaby materials incorporated by reference, insofar as it is relevant to the general matter of future process.

ii) Future process

The Board is the master of its own procedure under the NEB Act and the *National Energy Board Rules of Practice and Procedure, 1995*, with limited statutory exceptions. The Board has the authority to establish a process to hear future applications or motions, provided that the Board's discretion to deal with those future matters is not fettered. It must always be open to the Board to

revise its processes if warranted by the specific circumstances before it; for example, to ensure that the rules of natural justice, including procedural fairness, are respected.

In this case, the Board is persuaded that setting down a generic process to hear any future motions related to Certificate Condition 2, insofar as it relates to provincial and municipal permitting issues, is in the public interest. In reaching this decision, the Board has also taken into account subsection 11(4) of the NEB Act, which requires that all applications before the Board be dealt with as expeditiously as the circumstances and considerations of fairness permit.

The Board believes that a generic process will provide a measure of certainty regarding the regulatory tools available to resolve permitting disputes or disagreements, should the relevant parties otherwise be unable to do so. The Board has taken into account the large number of permits required for the Project, and the benefits of the Project being executed in an orderly and efficient manner. In reaching its decision on this point, the Board does not require additional evidence on the likelihood of disputes arising in the future. It notes that disputes have already arisen with respect to certain municipal bylaws. However, in any event, and as elaborated upon below, the Board expects the generic process to be rarely used. In the Board's view, the public interest in process transparency and certainty in this case is still served, even if the generic process is not ultimately triggered at all.

The Board notes that a generic process is just that – a process. It does not have the effect of changing the Project or the Certificate requirements. The Board acknowledges Katzie First Nation's concern that Indigenous groups should be engaged during regulatory permitting processes in a manner that ensures the honour of the Crown is upheld with respect to Project decision-making. In the Board's view, the generic process does not prevent this issue from being brought forward and considered in any future proceedings. The Board can also make adjustments to the process if required.

The Board wishes to be clear on its role and the role of the generic process. The generic process is not to be used for, and the Board will not serve the role of, generally supervising and directing provincial and municipal permitting processes. The Board is not an appropriate forum to work through any and all difficulties or disagreements encountered during permitting processes, and the generic process is not to be used as a negotiating tool. Rather, the Board's primary role is to ensure Trans Mountain complies with Project conditions. The Board would become involved in permitting processes only in limited circumstances; for example, where there is a lack of clarity as to whether Trans Mountain has achieved condition compliance, or where constitutional relief is requested.

The Board expects Trans Mountain and all relevant authorities to approach any permitting processes in good faith. While the Project has been determined to be in the public interest, that does not in and of itself relieve Trans Mountain from compliance with applicable provincial and municipal laws. The Board recognizes the importance of provincial and municipal permitting

² See Footnote 3 on p. 9.

processes, which can allow for ongoing and collaborative consultation on the Project and matters of local concern. The Board expects Trans Mountain to exercise good Project planning and allow sufficient time to properly engage provinces and municipalities. This includes working through issues via Technical Working Groups, as was committed to by Trans Mountain during the regulatory hearing for the Project, and which the Board addressed in various Certificate conditions.

The Board acknowledges the Agreement between British Columbia and Trans Mountain with respect to the Project. While the Board is of the view that the Agreement does not prevent Trans Mountain from seeking the regulatory relief sought in this Motion, the Board nonetheless expects Trans Mountain to attempt to work through any disagreements with British Columbia regarding provincial regulatory matters in a collaborative manner.

The Board has decided to set down the generic process in Appendix 1 to this decision. The generic process will be used to adjudicate any motion filed with the Board relating to compliance with Certificate Condition 2, insofar as it relates to Trans Mountain's commitment to apply for, or seek variance from, all provincial and municipal permits and authorizations that are required by law. For example, the generic process applies to any future motion that requests:

- a Board determination as to whether Trans Mountain has complied with Certificate Condition 2 with respect to a specific provincial or municipal permit or permits; or
- a Board Order relieving Trans Mountain from Certificate Condition 2 with respect to a provincial or municipal permit or permits.

It is open to either Trans Mountain or the relevant provincial or municipal permitting authority to trigger the generic process (in other words, to be the Applicant). The Board encourages the Applicant, where reasonable, to provide the Respondent with advance notice of the Applicant's intent to trigger the generic process, as this may increase the parties' abilities to move forward efficiently under the process.

Pursuant to the generic process, it will take approximately three to five weeks to reach a Board decision from the time a motion is filed.³ The Board retains discretion to amend the generic process as specific circumstances may require.

The process in Appendix 1 differs in some respects from the process that Trans Mountain proposed. The Board does not believe that all permitting disputes that may arise will necessarily be straightforward. Procedural fairness may require that more time be afforded under the process, compared to what Trans Mountain proposed, for the Respondent to respond to any future motion. In addition, future matters may, in many cases, engage questions of constitutional law, meaning that the timelines and process under the *Federal Courts Act* would need to be

³ In the MH-081-2017 hearing, it took approximately 5.5 weeks from the time the initial notice of motion and NCQ was filed until the Board issued its decision (with reasons to follow). For <u>Ruling No. 40</u> during the OH-001-2014 hearing, it took approximately 4 weeks from the time the notice of motion and NCQ was filed until the Board issued its decision.

followed. In the Board's view, the public interest is not served by setting down a generic process that is too expedited, and which would necessitate amendment in the majority of cases.

The Board declines to include in the generic process a requirement that Trans Mountain pay expenses incurred by municipalities. The Board is not persuaded that it has the authority to do so, or that it is warranted in any event, particularly given the Board's expectation that parties work collaboratively and in good faith to resolve any disagreements or disputes prior to bringing matters before the Board.

iii) Standing panel

Trans Mountain's Motion included a request to establish a standing panel to hear any motions made under the generic process.

This Panel of three Board members considering the current Motion does not have the authority to grant Trans Mountain's request to strike a standing panel as it was specifically requested. Pursuant to subsection 6(2) of the NEB Act, it is the Chairperson of the Board (as opposed to a quorum of Board members such as this Panel) who "apportions work among the members, decides whether the Board sits in a panel, and assigns members to panels and a member to preside over each panel." To date, the Chairperson has struck several panels to hear various Project-related matters (for example, to hear this Motion, and to hear detailed routing-related matters).

In certain circumstances, the Chairperson also has the authority to assign one or more members to consider matters pursuant to sections 14 and 15 of the NEB Act. Indeed, the Chairperson has assigned a single member under section 14 to exercise all of the Board's powers with respect to condition compliance for the Project, with limited exceptions.

As new matters are brought before the Board, the Chairperson may exercise discretion in referring them to the full Board, to strike a panel, or to assign a single member, as appropriate. It may also be that a new matter falls within an existing mandate of a panel or single member (in this regard, assignments may be made on an application-specific basis, or on a standing basis).

The Chairperson's action of assigning work among Board members is largely an internal administrative matter, can happen quickly, and does not have a substantive impact on how Board decisions are made. In this case, the advance establishment of a standing panel is unlikely to materially affect how expeditiously any future motions can be addressed, particularly given the Board's decision to set down a generic process.

Accordingly, the Chairperson of the Board will determine which Board members will hear and decide any motion or motions brought under the generic process in Appendix 1. This may, in fact, be by way of a panel or a standing panel. Regardless, whomever is charged with hearing the matter will do so pursuant to the generic process, subject to their discretion to amend the process as specific circumstances may require.

iv) Conclusion

Pursuant subsection 20(1) of the NEB Act, the Board grants the Motion in part. The Board has set down a generic process in Appendix 1 to this decision that will be used to adjudicate any motion filed with the Board relating to compliance with Certificate Condition 2, insofar as it relates to Trans Mountain's commitment to apply for, or seek variance from, all provincial and municipal permits and authorizations that are required by law.

In accordance with the provisions of the NEB Act, the Chairperson of the Board will determine which Board members will hear and decide any motion or motions filed under the generic process (for example, by way of a standing panel).

Trans Mountain is directed to serve a copy of this decision, including Appendix 1, on all provincial and municipal permitting authorities for the Project, the Attorney General of Canada, all provincial attorneys general, and the additional parties listed in the <u>schedule</u> attached to the Motion no later than **23 January 2018**.

For any questions, please contact the Board's Process Advisory Team at 403-292-4800, toll-free at 1-800-899-1265, or by email at TMX.ProcessHelp@neb-one.gc.ca.

D. Hamilton
Presiding Member

P. Davies Member

A. Scott Member

> Calgary, Alberta January 2018

c.c. All interested parties that filed submissions on the Motion

Attachment

Appendix 1

Generic regulatory process Trans Mountain Expansion Project Certificate of Public Convenience and Necessity OC-064 (Certificate) Compliance with Condition 2 (for provincial and municipal permitting matters)

This generic process will be used to adjudicate any motion filed with the National Energy Board (Board) relating to compliance with Certificate Condition 2, insofar as it relates to Trans Mountain's commitment to apply for, or seek variance from, all provincial and municipal permits and authorizations that are required by law. For example, the generic process applies to any future motion that requests:

- a Board determination as to whether Trans Mountain has complied with Certificate Condition 2 with respect to a specific provincial or municipal or permit or permits; or
- a Board Order relieving Trans Mountain from Certificate Condition 2 with respect to a provincial or municipal permit or permits.

It is open to either Trans Mountain or the relevant provincial or municipal permitting authority to trigger the generic process (i.e., to be the Applicant).

The Board retains discretion to vary or amend the generic process as circumstances require.

Step	Event	Person responsible	Timing
1	File with the Board (and serve on the Respondent and, if applicable, attorneys general): • the motion • supporting evidence • a copy of the Board's 18 January 2018 decision regarding process • notice of constitutional question (if applicable)	Applicant	n/a (triggers process)
2	File with the Board (and serve on the Applicant and, if applicable, attorneys general) the response to the motion, including supporting evidence	Respondent (if a constitutional question is raised, attorneys general may also adduce evidence)	14 calendar days after the motion is filed
3	File with the Board (and serve on the Respondent and, if applicable, attorneys general) reply, including any reply evidence	Applicant	4 calendar days after response(s) to the motion are filed

Step	Event	Person responsible	Timing
4	If applicable, file with the Board (and serve on the Applicant, Respondent, and attorneys general) written argument on the constitutional question raised	All participants	3 calendar days after the Applicant's reply is filed
5	Board decision	Board	1 to 14 calendar days after the record is closed

Below is additional detail regarding the above generic process steps. Pursuant to section 7 of the *National Energy Board Rules of Practice and Procedure, 1995*, where a deadline falls on a holiday or a Saturday, the filing may be made on the next business day.

Step 1 – File and serve the motion

To initiate this generic process, the Applicant must file with the Board and serve on the Respondent its motion, supporting evidence, and a copy of the Board's 18 January 2018 decision regarding process (including this Appendix 1).

In the event that the motion raises a constitutional question, the Applicant must also serve the documents mentioned above on the Attorney General of Canada and the attorneys general of each Province, in accordance with section 57 of the *Federal Courts Act*.

Proof of service, in the form of an Affidavit of Service, must be filed with the Board.

Step 2 – File and serve response to motion

No later than 14 calendar days after the motion is filed, the Respondent may file with the Board and serve on the Applicant (and attorneys general, if applicable) its response to the motion and any supporting evidence. Pursuant to section 57 of the *Federal Courts Act*, if a constitutional question is raised in the motion, the attorneys general are also entitled to adduce evidence.

Step 3 – File and serve reply

No later than four calendar days after response(s) to the motion are filed, the Applicant may file with the Board and serve on the Respondent (and attorneys general, if applicable) any reply and supporting evidence.

Step 4 – File and serve written argument

If the motion raises a constitutional question, all participants (Applicant, Respondent, and participating attorneys general) may file written argument on the constitutional question. No new evidence can be adduced at this stage. If the motion does not raise a constitutional question, this step does not apply.

Step 5 - Board decision

The Board will make efforts to release its decision on the motion no later than two weeks after the record closes under Steps 3 or 4, as applicable. The Board may provide its decision with reasons to follow, or provide its decision and reasons concurrently.

Filing instructions

- i) All filings made pursuant to this generic process **must** refer to File OF-Fac-Oil-T260-2013-03 03.
- ii) All filings **must** be addressed to:

Ms. Sheri Young Secretary of the Board National Energy Board Suite 210, 517 Tenth Avenue SW Calgary, AB T2R 0A8 Facsimile 403-292-5503

- iii) Acceptable methods of filing include mail, fax, courier, or the Board's online <u>e-filing tool</u>. For timeliness, the Board strongly encourages using the e-filing tool when filing documents. **The Board does not accept filings by email.**
- iv) If using the e-filing tool, once the link is accessed:
 - a) Follow the step-by-step instructions and guidance.
 - b) When asked to choose a project from the drop-down menu, choose "Other."
 - c) After the filing is made, you will receive an email with your filing receipt. To effect service on other participants, you may simply forward your filing receipt by email to the contacts identified in their filings.
 - d) You will also receive information regarding the requirement to provide the Board with a hard copy of your filing, and a signed filing receipt.
- v) If filing by a means other than e-filing, Board staff will upload your documents to the online public registry, once received. You may effect proper service by forwarding other participants links to your filed documents once they appear online, or electronic copies of them. If you do not have access to a computer, you may send documents to other participants by mail, fax, or courier.

All filings received regarding or pursuant to this generic process will be placed on the Board's online <u>public registry</u>.



File OF-Fac-Oil-T260-2013-03 03 18 January 2018

To: All parties to the MH-081-2017 proceeding

> Trans Mountain Pipeline ULC (Trans Mountain) **Trans Mountain Expansion Project (Project)** Hearing Order MH-081-2017 Notice of motion, including a notice of constitutional question (NCQ), dated 26 October 2017 (Motion) Reasons for Decision – National Energy Board (NEB or Board) Order MO-057-2017 dated 6 December 2017

On 26 October 2017, Trans Mountain filed the above-referenced Motion. On 6 December 2017, the Board decided to grant the relief sought in Paragraphs 1a) and b) of the Motion, as more particularly set out in Order MO-057-2017. The Board indicated that written reasons for its decision would follow. These are the Board's reasons.

DEFINITIONS Α.

The following defined terms are used in these reasons:

Certificate	Certificate of Public Convenience and Necessity OC-064, held	lbv
Cerunicate	Certificate of Fubilic Convenience and Necessity OC-004. Here	11) V

Trans Mountain as General Partner of Trans Mountain Pipeline L.P., in

respect of the Project

BTE The Burnaby Terminal Expansion, as generally described in Paragraph 8

of the Motion, and as approved by Board Order XO-T260-010-2016 and

the Certificate

BTM The Burnaby Terminal Modifications, as generally described in Paragraph

9 of the Motion, and as approved by Board Orders XO-T260-003-2017 and

MO-021-2017

KB Site The Kask Brothers Temporary Infrastructure Site, as generally described in

Paragraph 11 of the Motion, and the use of which was approved by Board

Order XO-T260-007-2016 and the Certificate

.../2



Suite 210, 517 Tenth Avenue SW

Calgary, Alberta T2R 0A8





WMT The Westridge Marine Terminal expansion, as generally described in

Paragraph 10 of the Motion, and as approved by the Certificate

Terminal

Work

Comprises all of the BTM, BTE, KB Site, and WMT

Zoning Bylaw

City of Burnaby Bylaw No. 4742

PPA Preliminary Plan Approval, as referred to in section 7.3 of the Zoning

Bylaw

Tree Bylaw City of Burnaby Bylaw No. 10482

Tree Cutting

Tree cutting permit, as referred to in section 3 of the Tree Bylaw

Permit

B. THE MH-081-2017 PROCEEDING

The Board established the MH-081-2017 proceeding to consider the relief sought in Paragraphs 1a) and b) of the Motion.¹

Consistent with the general requirement of subsection 57(2) of the *Federal Courts Act*, after the Motion was received, the Board provided additional notice of its own to the Attorney General of Canada and the provincial attorneys general in its 3 November 2017 process letter. It set a deadline of 8 November 2017 for the attorneys general to advise if they intended to make submissions regarding the NCQ.

The <u>parties</u> that participated in the MH-081-2017 proceeding were Trans Mountain, the City of Burnaby (Burnaby), the Attorney General of Alberta (Alberta), the Attorney General of British Columbia (British Columbia), and the Attorney General of Saskatchewan (Saskatchewan).

In accordance with the process set out by the Board, Burnaby filed its <u>responding submissions</u> and evidence on 17 November 2017, and Trans Mountain filed <u>reply evidence</u> on 22 November 2017.

The Board set 29 November 2017 as a hearing date for Trans Mountain and Burnaby to cross-examine each other's affiants. In a <u>letter</u> of 31 October 2017, Burnaby had requested an opportunity to cross-examine. However, in a subsequent <u>letter</u> of 23 November 2017, the Board

The Motion included an additional request at Paragraph 1 c), asking the Board to establish a process (and a standing panel) for Trans Mountain to bring similar future municipal or provincial permitting matters to the Board for determination. On 14 November 2017, Trans Mountain filed a separate notice of motion to this effect, which subsumed the previous Paragraph 1 c). On 15 November 2017, the Board decided to consider the two motions separately. All filings related to the process request, including the Board's decision, can be found here.

was advised that Trans Mountain and Burnaby had agreed that cross-examination on the filed affidavits was unnecessary. The Board <u>maintained</u> the 29 November 2017 oral hearing date for its own <u>questioning</u> of Trans Mountain affiants Mr. Michael Davies and Mr. Paul Wearmouth, and Burnaby affiant Mr. Lou Pelletier.

All parties filed written submissions on the constitutional questions by 24 November 2017. The Board heard oral summary argument from all parties on 4 December 2017.

C. BOARD ORDER MO-057-2017

In granting the relief sought in Paragraphs 1a) and b) of the Motion, the Board specifically ordered that:

- 1. Pursuant to Condition 1 of the Certificate, Trans Mountain is relieved of the requirement of Condition 2 of the Certificate, insofar as it requires Trans Mountain to obtain, with respect to the BTE, KB Site, and WMT, Preliminary Plan Approvals under section 7.3 of the City of Burnaby's Bylaw No. 4742 (Zoning Bylaw) and Tree Cutting Permits under section 3 of the City of Burnaby's Bylaw No. 10482 (Tree Bylaw).
- 2. Pursuant to sections 12 and 13 and paragraphs 73(c), (e), (g), and (i) of the *National Energy Board Act*:
 - a) The constitutional questions raised in the Motion are answered in the affirmative.
 - b) Section 7.3 of the Zoning Bylaw and section 3 of the Tree Bylaw do not apply to the Terminal Work.
 - c) Trans Mountain may proceed with the Terminal Work in the absence of the City of Burnaby having issued Preliminary Plan Approvals under section 7.3 of the Zoning Bylaw or Tree Cutting Permits under section 3 of the Tree Bylaw for the Terminal Work. The foregoing does not relieve Trans Mountain of any other applicable legal and regulatory requirements.
 - d) For greater certainty, the above relief does not absolve Trans Mountain from compliance with other relevant City of Burnaby Bylaws.

D. FEDERAL LAWS AND REGULATORY REQUIREMENTS

i) Regulatory review of the Project

The Project includes a twinning (or looping) of the existing Trans Mountain pipeline system (which was originally commissioned in 1953) in Alberta and British Columbia with approximately 987 kilometres of new pipeline. It also includes new and modified facilities, such as pump stations and tanks, and three new tanker berths at the WMT in Burnaby.

The entirety of the Project constitutes a "pipeline" under the NEB Act. Pursuant to the NEB Act, the Project was determined by the Board and the Governor in Council (GIC) to be in the Canadian public interest. Its construction and operation was authorized by the Certificate, along

with certain other Board orders. The Project is subject to 157 conditions relating to a range of matters, including safety, environment, consultation, and financial responsibility.

Trans Mountain submitted its application for the Project on 16 December 2013. The federal decision to authorize the Project (culminating in the issuance of the Certificate on 16 December 2016) was made after a lengthy Board hearing (OH-001-2014). Burnaby was an active participant in the hearing. It was, and is, strongly and vocally opposed to the Project. During the course of the hearing, Burnaby posed hundreds of information requests to, filed written evidence and written argument, and provided oral argument. Burnaby also brought various motions.

In 2014, Trans Mountain and Burnaby had a dispute over Burnaby municipal permitting in relation to Trans Mountain accessing city lands to conduct certain studies requested by the Board in relation to its review of the Project. In what is referred to as "Ruling No. 40," the Board found that Burnaby was attempting to use certain of its bylaws to block access by Trans Mountain to conduct the studies at issue.² On constitutional grounds, the Board ordered Burnaby to allow Trans Mountain temporary access to city lands to conduct its studies. The issues considered in Ruling No. 40 were also the subject of litigation in the British Columbia Supreme Court³ and British Columbia Court of Appeal.⁴

ii) Trans Mountain's Commitment to apply for municipal permits

The BTE, KB Site, and WMT are subject to the Certificate. Certificate Conditions 1 and 2 read as follows:

1. Condition compliance

Trans Mountain must comply with all of the Certificate conditions, unless the NEB otherwise directs.

2. Compliance with commitments

Without limiting Conditions 3, 4, and 6, Trans Mountain must implement all of the commitments it made in its Project application or to which it otherwise committed on the record of the OH-001-2014 proceeding.

In the course of the OH-001-2014 proceeding, Trans Mountain committed to apply for, or seek variance from, provincial and municipal permits and authorizations that apply to the Project. The Board summarized this commitment, which falls within the purview of Certificate Condition 2, at Page 251 of its Report, as follows:

Trans Mountain said it would apply for, or seek variance from, all permits and authorizations that are required by law, and would continue to work with all

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² Application for Trans Mountain Expansion Project (OH-001-2014), Board Ruling No. 40.

³ Burnaby (City) v. Trans Mountain Pipeline ULC, 2015 BCSC 2140 (BCSC).

⁴ Burnaby (City) v. Trans Mountain Pipeline ULC, 2017 BCCA 132 (BCCA).

municipalities to understand the applicability of bylaws and standards related to the construction and operation of the Project.

Also during the OH-001-2014 proceeding, Trans Mountain committed to continued engagement with affected municipalities through the formation of technical working groups (TWGs), with the stated goal being to build trust and good relationships. Certificate Condition 14 requires Trans Mountain to file with the Board, prior to commencing construction, terms of reference for established TWGs. It also requires these terms of reference to be developed in consultation with participating municipalities.

The BTM is not subject to the Certificate. This work, which proposes to modify the Burnaby Terminal to accommodate the Project, and specifically the BTE, was the subject of a subsequent application to the Board by Trans Mountain. It is authorized by Board Orders MO-021-2017 and XO-T260-003-2017, issued on 20 April 2017.

iii) Section 73 of the NEB Act

For the purposes of the Terminal Work, Trans Mountain has all of the powers set out in section 73 of the NEB Act. These include the power to:

(c) construct, lay, carry or place its pipeline across, on or under the land of any person on the located line of the pipeline;

. . . .

(e) construct, erect and maintain all necessary and convenient roads, buildings, houses, stations, depots, wharves, docks and other structures, and construct, purchase and acquire machinery and other apparatus necessary for the construction, maintenance, operation and abandonment of its pipeline or the maintenance of its abandoned pipeline;

. . .

(g) alter, repair or discontinue the works mentioned in this section, or any of them, and substitute others in their stead;

.

(i) do all other acts necessary for the construction, maintenance, operation and abandonment of its pipeline or the maintenance of its abandoned pipeline.

E. BURNABY BYLAWS

i) Zoning Bylaw

As described in further detail in Section F below, Trans Mountain sought PPAs under section 7.3 of the Zoning Bylaw for the Terminal Work. It sought separate PPAs for the KB Site, the BTM, the WMT, and the BTE.

Subsection 7.3(1) of the Zoning Bylaw states that "any person wishing to undertake a development shall apply for and receive preliminary plan approval from the Director of Planning before the issuance of a building permit or a business license..." Subsection 7.3(2) sets out the information that must accompany a PPA application, including particulars about the lot, the

applicant and/or owner, fees, the purpose of the proposed development and estimated commencement date, a preliminary plan showing a series of zoning details, and "...such further or additional land use information as the Director of Planning may require."

Pursuant to subsection 7.3(3), the Director of Planning must issue a PPA when the application conforms to the provisions of the Zoning Bylaw and does not contravene any approved land use or road plan. Subsection 7.3(5) states that "[t]he granting of preliminary plan approval shall not absolve the applicant from compliance with all relevant municipal Bylaws."

The Zoning Bylaw requires that development be set back between 5 and 30 metres from a streamside protection and enhancement area (SPEA), which is determined through an analysis of the fish-bearing status of a stream and areas near the stream containing existing vegetation or the potential for vegetation. Subsection 6.23(4) of the Zoning Bylaw prohibits developments on land within a SPEA. Subsection 6.23(3) allows for the Director Planning and Building to, with the approval of the Department of Fisheries and Oceans, vary the boundaries of a SPEA. The Zoning Bylaw's SPEA provisions are relevant to the BTE, as the Project's storage tanks and other works at the BTE coincide with a SPEA.

Subsection 6.7(1) of the Zoning Bylaw allows for temporary buildings to be erected or placed on land for construction office and construction equipment or material storage purposes, on a lot undergoing development for a period not exceeding the duration of such construction. Subsection 800.5(2) of Schedule VIII of the Zoning Bylaw requires that off-street parking that is to be shared by two or more buildings or uses be located not more than 122 metres from any building or use to be served. Subsection 6.7(3) provides that the Director Planning may grant minor variances to the siting and off-street parking requirements for a temporary building. These Zoning Bylaw provisions are relevant to the KB Site, which is a temporary infrastructure site that is further than 122 metres from the WMT, which it will support.

Pursuant to the British Columbia *Local Government Act*, Burnaby has established a Board of Variance, which may approve a variance to the Zoning Bylaw if compliance with respect to the required siting, size, or dimensions of a building or other structure would cause a person hardship.⁵

ii) Tree Bylaw

As described in further detail in Section F below, section 3 of Burnaby's Tree Bylaw requires Trans Mountain to obtain Tree Cutting Permits for each of the BTE, BTM, and WMT.

Section 3 of the Tree Bylaw states that "[e]xcept as permitted by this Bylaw, no person shall damage a protected tree and no person shall cut down a protected tree unless that person holds a valid tree cutting permit." Section 5 sets out the items that must accompany an application for a Tree Cutting Permit, including a "tree plan." Section 6 sets out the circumstances under which the Director Planning may issue a Tree Cutting Permit, including if "retention of the protected tree or trees would have the effect of preventing all uses of the land permitted."

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⁵ Local Government Act, RSBC 2015, c 1, Part 14, Division 15.

Subsection 11(1) of the Tree Bylaw provides that every development application (which includes a PPA application) must be accompanied by a tree plan. Under paragraph 12(b), the Director of Planning may exempt a person from the tree plan requirement where he/she is "satisfied that such trees can be readily identified on the site from other information provided by the applicant."

F. ZONING BYLAW AND TREE BYLAW PERMITTING PROCESSES

The facts relevant to the Zoning Bylaw and Tree Bylaw permitting processes for the Terminal Work can be drawn from the significant amount of emails, correspondence, and meeting minutes that Trans Mountain and Burnaby filed as evidence. While there is little material dispute between Trans Mountain and Burnaby with respect to the facts of these events, the parties differ greatly as to how the Board should interpret these events, and what inferences or conclusions the Board should draw from them.

After considering the entire record, including the affidavits of Mr. Michael Davies and Mr. Paul Wearmouth for Trans Mountain, and the affidavits of Mr. Lou Pelletier and Ms. Robyn Allan for Burnaby, the Board makes the following findings of fact with respect to the Zoning Bylaw and Tree Bylaw permitting processes for the Terminal Work.

i) TWG meetings

As noted above, Certificate Condition 14 requires Trans Mountain to file with the Board, prior to commencing construction, terms of reference for established TWGs. As contemplated by that condition, Trans Mountain initiated a TWG with Burnaby. The parties held eight TWG meetings between 15 December 2016 and 18 October 2017. Burnaby objected to these meetings even being referred to as "TWG" meetings until such time as the terms of reference for the TWG were formalized (which did not occur until September 2017). For the sake of the discussion that follows, the Board assumes all eight meetings between Trans Mountain and Burnaby to have been TWG meetings, and refers to them as such throughout these reasons.

The first TWG meeting was relatively exploratory and high-level in nature. The TWG's terms of reference were still under development, and there appears to have been a lack of a concerted effort on the part of both Trans Mountain and Burnaby to meaningfully engage or make any significant progress in late 2016, which carried over to early 2017.

The TWG meetings became more regular (roughly once a month) and detailed starting in April 2017. Both the written record and the *viva voce* testimony of Trans Mountain's witnesses make it clear that Trans Mountain expected the TWG process to be used to, among other things, work through issues related to Burnaby permitting matters. More precisely, it appears that Trans Mountain believed the TWG would be the primary forum in which its permitting applications would be reviewed and guidance would be given.

Although Burnaby made some statements to the effect that the TWG could be used to work through permitting issues, there was no clear commitment on Burnaby's part that this would be the case. Very little progress was made in TWG meetings to advance Trans Mountain's PPA applications. This is despite the fact that Burnaby regularly had senior staff attend the TWG

meetings. The process and status of permitting matters was discussed at TWG meetings, and occasionally specific issues were discussed; however, the record demonstrates that Burnaby's position was that the PPA applications would ultimately be dealt with outside the TWG, through Burnaby's formal permitting process.

The record shows some early reluctance on Trans Mountain's part to commit to going through the formal municipal permitting process, initially suggesting that it would file "packages" demonstrating compliance with applicable municipal bylaws. However, as per Burnaby's requirements, Trans Mountain did ultimately formally file its four PPA applications. From that point on (June 2017), Trans Mountain appeared committed to complying with the formal application review process. At the same time, Trans Mountain continued to attempt to make the TWG an effective forum for working through permitting issues.

Ultimately, in the Board's view, the evidence demonstrates that Trans Mountain was unable to rely on the TWG as a meaningful or effective forum for resolving or clarifying outstanding issues related to the PPA applications and Tree Cutting Permits, and that Burnaby did not use the TWG as a means of making its approval process more efficient or accessible to Trans Mountain.

ii) The PPA application process

There is some dispute between Trans Mountain and Burnaby regarding when the four PPA applications were formally filed with Burnaby, and specifically whether this occurred in late May 2017, when certain initial filings were made, or later in June 2017, when some filings were re-submitted with additional information required by Burnaby.

Regardless, once the PPA applications had in fact been filed as required in June 2017, Trans Mountain repeatedly asked for Burnaby's expected timing to complete its processing of them. Burnaby was non-committal in its responses. For example, in July 2017, it informed Trans Mountain that its timeline for processing PPA applications was three to four weeks for a simple application and six to eight weeks for a more complex review, although the "Tank Farm application" would take a bit longer. However, Burnaby later suggested that there were no standard timelines. Burnaby also indicated that Trans Mountain's PPA applications would take longer due to project complexity, and the fact that the Burnaby Terminal was "different."

Burnaby was also not clear with Trans Mountain about which of the four PPA applications was under review at any given time, and when any review officially started. It is unclear whether Burnaby's review started when the PPA applications were initially filed, or at some later date when Burnaby considered the PPA applications to be sufficiently complete and/or were formally accepted by Burnaby. The parties proceeded on the basis that the BTM was the priority PPA application; however, it was unclear whether or not the other three PPAs were also under review. At times, Burnaby indicated that it was also reviewing the other three PPA applications and that all four had been referred to several Burnaby departments for review. Burnaby also indicated that it did not have the resources to process all PPA applications simultaneously.

Burnaby stated that its preferred process for reviewing PPA applications is to send all comments to the applicant as a single package. Indeed, in July 2017, Burnaby told Trans Mountain that it

did not want to send out piecemeal comments, and intended to bring together a compilation of comments on the BTM PPA application within two weeks so that Trans Mountain would have a complete package. However, this is not what occurred.

On more than one occasion, Burnaby told Trans Mountain to expect comments on its PPA applications in a matter of weeks, or in the near future. Either these comments did not materialize on the indicated timeline, and/or they were provided in a partial or piecemeal fashion, without clear direction or context as to where they fit in the overall permitting process. As an example of the latter, separate comments from different Burnaby departments in relation to various PPA applications were provided to Trans Mountain on 9 and 14 August; 6, 8, 14, 18, and 28 September; and 19 October 2017.

It was also not always clear if comments provided to Trans Mountain related to the Zoning Bylaw or to another Burnaby bylaw. In response to Board questions, Burnaby clarified during the course of this hearing that some of the additional information it requested from Trans Mountain – related to traffic and sediment control – fell under other Burnaby bylaws.

In the Board's view, Trans Mountain made reasonable efforts to respond to Burnaby's comments and requests for additional information and has, in fact, provided the bulk of this information to Burnaby. While some information that Burnaby requested in relation to the PPA applications is outstanding, the Board accepts that Trans Mountain was not in a position to practically or efficiently provide this information in the absence of additional guidance from Burnaby. This is particularly the case as it related to zoning matters (comments on the WMT and BTE remain outstanding; comments for the BTM and KB Site were not received until 9 August and 26 October 2017, respectively). Burnaby was also not clear with Trans Mountain (prior to the Motion being heard) about what specific information was outstanding. Other information requested by Burnaby – such as ecological assessment reports – was not anticipated by Trans Mountain in the context of a Zoning Bylaw review. These requests came from Burnaby late in the process, and required considerable work to prepare.

The Board is not persuaded that the evidence supports Burnaby's argument that Trans Mountain never tried to comply with its PPA application process and was setting it up for failure. On the contrary, the Board finds that Trans Mountain's reasonable requests to allow it to reach PPA application compliance in an efficient manner were continually rebuffed by Burnaby.

Despite Trans Mountain's multiple requests, Burnaby would not facilitate a meeting between Trans Mountain and the technical staff reviewing the PPA applications. Burnaby initially indicated that meetings could be set up with staff for clarification of the PPA process or for processing PPA applications. However, in September 2017, when Trans Mountain specifically requested that such meetings be set up on a regular basis, Burnaby's Deputy Director of Engineering responded to Trans Mountain in writing, advising that there is no such "permit review team," and that direct contact with individual employees can only lead to delays. Trans Mountain was told that it must work through the PPA application coordinator for the Project and that it has access to senior staff through the TWG. The Board finds this position taken by Burnaby to be disingenuous. Burnaby did not use the TWG as a means of making its approval process more efficient or accessible to Trans Mountain. At the same time, Burnaby

made its technical staff reviewing the permitting applications largely inaccessible to the company.

Trans Mountain made several clearly worded requests to Burnaby in an attempt to clarify the PPA application process. These included requests for a list of Burnaby departments reviewing the PPA applications, how many departments had completed reviews, the likely timeline for comments on each application, the likely timeline for the full process, any additional information that was required, and what Trans Mountain could do to facilitate a more efficient process. These questions were not clearly or consistently answered and, in some cases, were not answered at all.

In oral final argument, Burnaby took the position that the cause of delay in processing the PPA applications was due largely to Trans Mountain's incompetence or ineptness in submitting its applications. The Board finds that the evidence does not support this argument. The Board accepts that Trans Mountain's initial PPA applications lacked some necessary information; however, the applications were re-submitted in June 2017. After that point, Burnaby did, at times, indicate that PPA application completeness was still a concern. However, at other times, Burnaby cites the Project's complexity or the fact that Burnaby has many other PPA applications under review as being reasons for the delay. Even if it were true that significant material was still lacking after June 2017, there was no clear, consistent, or meaningful effort on Burnaby's part to make it known to Trans Mountain what was specifically required to complete its applications.

Regarding Burnaby's project complexity argument, there is no doubt that the Project as a whole is complex. However, based on the evidence on the record, the Board is not persuaded that the four specific PPA applications at issue were comparatively or materially more complex than other PPA applications Burnaby has considered (in one 18 September 2017 letter from Burnaby, it responded to Trans Mountain's questions about delay by referring to its many applications, including from "larger" projects). Burnaby also has a significant degree of familiarity with the Project, owing to its previous participation in the Board's OH-001-2014 proceeding. Each of the BTM, BTE, and WMT are expansions or modifications of existing facilities, the operation of which are known to Burnaby. Trans Mountain led evidence to the effect that the PPA applications were relatively straightforward. The Board also notes the preliminary nature of a PPA, and that the Zoning Bylaw is clear that the issuance of a PPA does not absolve the applicant of compliance with all other Burnaby bylaw requirements.

As of the date that the Motion was filed, Burnaby had not made a decision on any of Trans Mountain's four PPA applications. On 21 November 2017, Burnaby informed Trans Mountain that it would not continue to process the PPA applications while the Motion was before the Board.

iii) The Tree Cutting Permit process

The Tree Cutting Permit process is closely intertwined with the PPA application process. Trans Mountain included Tree Management Plans in support of its PPA applications for the BTM, BTE, and WMT. Those plans proposed to use a "timber cruise method" to estimate the number of trees to be removed. On 9 August 2017, Burnaby indicated to Trans Mountain that the timber cruise method was not acceptable under the Tree Bylaw because it is not a survey plan showing the location and diameter of each protected tree to be removed, it does not include the

location of all replacement trees, and each protected tree is not proposed to be tagged with an identification number.

On 1 September 2017 (for the BTM) and 6 October 2017 (for the WMT and BTE), Trans Mountain requested that the Director of Planning grant an exemption pursuant to paragraph 12(b) of the Tree Bylaw to allow for the use of the timber cruise method, which would then subsequently be validated by having a qualified environmental professional on site to count all trees removed. Trans Mountain submitted that the area of tree coverage makes it impractical to survey each protected tree location or to tag individual trees. It argued that the timber cruise method is commonly used in the forest industry and may provide a reasonably accurate estimate of the number of trees to be removed. It indicated that it would comply with any reasonable conditions attached to a Tree Cutting Permit, including related to the provision of security for the cost of replacement trees.

In its evidence, Trans Mountain estimated that 1502, 2220, and 275 protected trees would be removed from the BTM, BTE, and WMT, respectively. During questioning, Trans Mountain's witness, Mr. Wearmouth, indicated that, at each of these sites, all of the trees would be cleared from the areas in question.

On 10 October 2017, the Director of Planning refused Trans Mountain's exemption request, stating that he did not find a supportable basis for the variance. No other reasons were provided. Burnaby has not yet issued Tree Cutting Permits for the BTE, BTM, or WMT.

On 14 November 2017, Trans Mountain submitted a complete Tree Management Plan for the BTM that does not rely on the timber cruise methodology.

iv) Political interference and intent to delay

When it filed the Motion, Trans Mountain led evidence that, it argued, demonstrated an intent on Burnaby's behalf to "do everything it can to frustrate the Project." Trans Mountain went so far as to allege that Burnaby's Mayor believed that the permitting process was a legitimate method of slowing down the Project. Burnaby strongly objected to Trans Mountain's assertions of improper motives on Burnaby's behalf and led evidence to the effect that there was no political interference in its permitting processes.

In the Board's view, the issue of alleged political interference or improper motives may be relevant, but is not particularly material to its consideration of this Motion. Establishment of mal intent or bad faith is not, in the Board's view, a prerequisite to granting the relief sought. Regardless, the Board discusses it here as it was debated at some length between the parties.

The Board accepts that Burnaby is fundamentally opposed to the Project, and that it has been public, vocal, and consistent in its opposition. This was and is well within Burnaby's rights as an affected landowner, municipality, and as a hearing participant. However (and as was ultimately conceded by Trans Mountain), there is no direct evidence on the record that there has been political interference in the PPA application and Tree Cutting Permit processes, or that Burnaby, as a regulator, intentionally used those processes as a means to improperly delay the Project.

Burnaby told Trans Mountain on several occasions that ongoing litigation between the parties, and Burnaby's opposition to the Project, would not interfere with the technical permitting process. The Board accepts this to generally be the case.

That being said, the record shows that the relationship between Trans Mountain and Burnaby is acrimonious and, at times, litigious. The tone of some of the written correspondence between the parties during the course of the permitting process is one of adversaries or litigants, as opposed to that of regulator and regulated company. This is of concern to the Board, particularly on Burnaby's part, which is a regulator in this context. In the Board's view, the parties' negative relationship, and the overall climate of Burnaby's public opposition to the Project, may have had a general chilling effect on Burnaby's ability or willingness to work efficiently and cooperatively with Trans Mountain. This is despite the fact that there was no direct political interference. The Board notes that the review timeline has been much longer than Burnaby's initial estimate of six to eight weeks for a more complex application. Comments on the PPA applications were also provided in a partial or piecemeal fashion, which is inconsistent with Burnaby's preferred practice of providing consolidated comments. However, this evidence does not rise to the level of establishing bad faith on behalf of Burnaby. Further, as the Board indicates above, it does not find the issue of alleged political interference or improper motives to be particularly material to its consideration of this Motion in this particular case.

v) Project delay, prejudice, and the public interest

Trans Mountain's construction schedule (filed with the Board on 1 November 2017) identifies an unmitigated Project in-service date of September 2020. Trans Mountain has indicated that the relief sought in this Motion is one mitigation measure to enable the timely completion of the Project.

At the time Board Order MO-057-2017 was issued, the outstanding PPA and Tree Cutting Permit for the BTM were all that prevented Trans Mountain from commencing that work. While the PPA for the KB Site, and the PPA and Tree Cutting Permits for the BTE and WMT, may not have been the only things preventing Trans Mountain from commencing those works, the Board accepts that the outstanding PPAs and Tree Cutting Permits are a direct, contributing, and exacerbating factor to construction delay. The Board accepts Trans Mountain's evidence that these are the only outstanding applicable regulatory requirements for which it is unable to reasonably foresee a completion date.

The Board also accepts that there will be serious prejudice to Trans Mountain if the Project is delayed to or beyond its current unmitigated in-service date, including the direct financial harm cited by Trans Mountain in the range of \$30-35 million per month. The Board accepts Trans Mountain's evidence that a delay of an indeterminate nature could result in cancellation of the Project as a whole.

In the Board's view, certain evidence on the record, and particularly portions of the affidavit of Ms. Robyn Allan, appeared to constitute an attempt to revisit issues related to the benefits of the Project. In its May 2016 Report, the Board conducted an extensive review of the Project's benefits, including considerable benefits associated with market diversification, jobs,

competition among pipelines, and government revenues. The Board's recommendation in this regard was accepted by GIC, who directed the Board to issue the Certificate. The Board is not prepared to debate and revisit those findings in the context of this Motion, nor would it be appropriate to do so. It is a fact that the Project has been found by the Board and GIC to be in the Canadian public interest under the NEB Act, with the overall benefits of the Project outweighing the residual burdens. To the extent Ms. Allan's evidence spoke to the reasons for Project delay and the potential harm, or lack thereof, associated with Project delay, the Board did not find it persuasive.

vi) Summary of the Board's views on the permitting processes

In considering this Motion, including the underlying facts, the Board did not engage in an exercise of assessing whether each and every detail and action on Burnaby's part was justified. In this regard, it is not the Board's role to dictate to Burnaby the specifics of the process it must use for its own municipal permitting. The Board also agrees with Burnaby that reasonable regulatory processes should not be characterized as "delay." Rather, the Board has assessed the facts on this Motion only with a relatively limited view to considering the relief sought related to Certificate Condition 2 and the constitution. With that general premise stated, the Board draws the following conclusions.

The Project has been lawfully approved to proceed and has already undergone extensive federal review. In this overall context, the Board would have expected to see, in general, reasonable efforts on Burnaby's part to work efficiently and cooperatively with Trans Mountain in order to help ensure that when (not if) the Project proceeds, matters of local concern that are reflected in Burnaby's bylaw requirements are understood and addressed to the extent possible. In the Board's view, this, for the most part, did not occur.

The Board finds that the majority of the delay incurred since Trans Mountain filed its PPA applications is attributable to Burnaby's actions or inaction. Viewed as a whole, Burnaby's review process was unclear, inefficient, and uncoordinated. Burnaby gave inconsistent direction to Trans Mountain, and its words were often inconsistent with its actions, giving rise to confusion. While there was certainly no lack of correspondence and activity between Trans Mountain and Burnaby, the parties often seemed to be talking past each other. While there was an earnest effort on Trans Mountain's part to resolve matters, the Board is of the view that a similar effort was largely absent on Burnaby's part.

While Burnaby is not legally required to use the TWG to deal with municipal permitting matters, had Burnaby put it to more productive use, the TWG could have operated as a collaborative and flexible forum to efficiently resolve issues. Overall, the permitting process to which Trans Mountain was subject was confusing, and made it very difficult for Trans Mountain to discern or receive simple guidance about what the permitting requirements were and how they could be met, which the Board finds to have contributed to unreasonable delay.

The Board concludes that Burnaby's process to review the PPA applications and associated Tree Cutting Permits was not reasonable. The Board has reached this conclusion within the

context of the fact that the Project has been federally approved to proceed, after a lengthy review, and it is not open to Burnaby to stop it (as discussed further in Section H below). The Board has considered all of the circumstances, not just the length of the delay alone. These circumstances are described above and can be summarized as:

- the review time was two to three times longer than Burnaby's original estimate of six to eight weeks for a more complex review;
- the responsibility for the majority of review time is attributable to Burnaby's actions, inactions, and process decisions;
- Burnaby's process made it very difficult for Trans Mountain to understand what the permitting requirements were and how they could be met;
- Burnaby repeatedly denied Trans Mountain's reasonable requests to aid in an efficient processing of the PPA applications;
- the review time is the cause of, or a contributing or exacerbating factor to, Project construction delay, and the prejudice associated with that delay; and,
- the overall trend does not indicate that Burnaby is getting closer to issuing PPAs or
 Tree Cutting Permits; rather, there is no clear indication of an imminent resolution.

With respect to the last bullet above, it ultimately remains unclear to the Board what additional steps (informational and process-related) are or would be required or added by Burnaby to complete its permitting processes. When Board counsel asked Burnaby's witness, Mr. Lou Pelletier, to identify the remaining PPA application deficiencies, Burnaby's counsel objected.

The Board has reached the above conclusions about the reasonableness of Burnaby's process, regardless of the fact that there was no direct evidence of political interference.

G. RELIEF FROM CERTIFICATE CONDITION 2

By virtue of Certificate Condition 2, it is currently a federal regulatory requirement that Trans Mountain obtain – with respect to the BTE, KB Site, and WMT – PPAs under section 7.3 of the Zoning Bylaw and Tree Cutting Permits under section 3 of the Tree Bylaw. Trans Mountain has asked that the Board relieve it from these requirements pursuant to Certificate Condition 1.

i) Trans Mountain's submissions

Trans Mountain noted that Certificate Condition 1 requires compliance with all conditions "unless the Board otherwise directs." Trans Mountain argued that this gives the Board flexibility in enforcing condition requirements, and that use of Condition 1 does not constitute a variance of the Certificate that would require GIC approval under section 21 of the NEB Act.

Trans Mountain argued that relief from Certificate Condition 2 is justified on the basis that it has made best efforts to obtain permits related to the Terminal Work, that Burnaby has not offered any reasonable basis for the permitting delay, and that Burnaby is using its municipal bylaws to stop a federal work and undertaking.

ii) Burnaby's submissions

Burnaby submitted that Trans Mountain is required to obtain PPAs and Tree Cutting Permits as a matter of federal law, pursuant to Certificate Condition 2, and that the GIC approved the Project on the basis that Trans Mountain would comply with all of the conditions. Burnaby also noted Trans Mountain's direct commitment to the City that it would comply with Burnaby's permitting processes.

Burnaby submitted that undertaking a Project of such magnitude in a densely populated municipality requires municipal regulation. It submitted that Trans Mountain now seeks to avoid its obligations under the Certificate, but to still take the benefit of the Project. Burnaby argued that Trans Mountain is effectively seeking relief from going through the permitting process that applies to all other project proponents within Burnaby, and that the Board should not condone this behavior.

iii) Attorneys general submissions

Alberta supported Trans Mountain's request for relief from Certificate Condition 2, and agreed with Trans Mountain that the Board has jurisdiction to grant the relief under Certificate Condition 1. Alberta submitted that, should the Board make a finding of unacceptable delay, regardless of reason, the Board can and should grant the relief sought.

British Columbia did not comment specifically on this issue.

Saskatchewan did not make any submissions on the merits of this issue; however, it did note that Condition 2 currently has the effect of incorporating the municipal requirements into the Certificate under federal law.

iv) Views of the Board

The Board is of the view that it is in the public interest to grant Trans Mountain the requested relief from Certificate Condition 2. The Board has reached this conclusion on the basis of its conclusion in Section F that Burnaby's process to review the PPA applications and associated Tree Cutting Permits, and its execution of those processes, were not reasonable, resulting in unreasonable delay. This includes the fact that it is the cause of, or a significant contributing or exacerbating factor to, Project construction delay.

The Board accepts that there is public interest in ongoing, collaborative engagement between Trans Mountain and municipalities, such that matters of local concern are understood and addressed where possible. This includes complying with lawful municipal permitting processes. The Board also accepts that municipal permitting processes do not happen overnight, and will reasonably take time to complete. What is reasonable is necessarily fact-specific and must be considered in light of all of the circumstances.

In this specific case, the Board finds that the public interest in granting the relief sought outweighs any public interest in requiring Trans Mountain to continue with the Burnaby PPA

application and Tree Cutting Permit processes. The Board finds the PPA and Tree Cutting Permit processes to have been unreasonable and that there is no clear indication of an imminent solution, which are having the effect of conflicting with Trans Mountain's statutory powers under section 73 of the NEB Act, as well as the Certificate and other Board orders authorizing the Project (as discussed in more detail in Section H). The Board also notes the preliminary nature of a PPA, and that the relief sought is limited in nature in that it does not absolve Trans Mountain from complying with all other applicable Burnaby bylaws.

In addition, the Board notes that Trans Mountain has made certain commitments in the course of this Motion, for example, to pay compensation or replant in accordance with the Tree Bylaw.

Further, all of Trans Mountain's actions are subject to section 75 of the NEB Act, which requires the company to do "as little damage as possible" in exercising its powers under section 73 of the NEB Act. Compensation for damage is available under the NEB Act.

The Board grants this relief pursuant to Certificate Condition 1, which does not require GIC approval. The Board described the intent of Condition 1 at Page 118 of its Report on the Project:

The intent of the phrase "unless the NEB otherwise directs" in Condition 1 is to provide the Board with some flexibility to vary conditions in a timely manner, if needed, without requiring [GIC] approval. Changes would be considered by the Board on a case-by-case basis, within the context of the conceptual design presented by Trans Mountain in its application and the hearing, the associated level of safety and environmental protection, and the recommendation and decisions of the Board and [GIC]. More substantial changes to the Project would require a variance pursuant to section 21 of the NEB act, and variance of a Certificate would not be effective until approved by [GIC].

In this case, no changes are required to the Certificate itself. The Board disagrees with Burnaby that this relief will allow a significant or substantial change to be made to the Project. The Board notes that the GIC directed the issuance of the Certificate for the Project, including the phrase "unless the Board otherwise directs."

Trans Mountain suggested that the Board impose three conditions in granting the requested relief. The suggested conditions were detailed and would have had the effect of substituting the Board for the municipal regulator. For example, Trans Mountain proposed to provide the Board with development drawings and Tree Management Plans, similar to what the Zoning and Tree Bylaws require. The Board is of the view that this is inappropriate. The Board is not a municipal regulator and is not prepared to replace municipalities in terms of overseeing and enforcing very specific municipal requirements.

H. CONSTITUTIONAL QUESTIONS

The Motion raises the following constitutional issues:

1. Does the Board have the legal authority to determine that Burnaby's specific bylaws that require Trans Mountain to obtain PPAs and Tree Cutting Permits for the Terminal Work

are inapplicable, invalid, or inoperative in the context of Trans Mountain's exercise of its powers under section 73 of the NEB Act?

2. If so, on the facts before the Board, should the Board find that the requirement for municipal approvals under section 7.3 of Burnaby's Zoning Bylaw and section 3 of the Tree Bylaw prior to conducting the Terminal Work are inapplicable, invalid, or inoperative under the doctrines of interjurisdictional immunity and/or federal paramountcy?

In Order MO-057-2017, the Board answered both of these questions in the affirmative.

i) Trans Mountain's submissions

Regarding the first constitutional question, Trans Mountain relied on the Board's previous Ruling No. 40, made in the course of the OH-001-2014 proceeding (which was confirmed in *Burnaby (City) v. Trans Mountain Pipeline ULC* where Macintosh J. determined that the Board had jurisdiction to address such questions).⁶

Trans Mountain argued that the Project is a federal undertaking and that the province and, by extension, municipalities cannot decline to issue permits required for the Project. Trans Mountain submitted that unreasonable delay, which could continue into perpetuity, amounts to an outright refusal and is unconstitutional.

Trans Mountain submitted that Burnaby's delay triggers interjurisdictional immunity. It stated that Burnaby's delay substantially impairs the core of the federal government's exclusive power over the matters of when and where the Project is built, and the Project's orderly development and efficient operation. Trans Mountain submitted that, if left unchecked, Burnaby's inaction may prevent the construction of the Project entirely.

Trans Mountain submitted that paramountcy also applies. It argued that there is a clear federal purpose that interprovincial projects that have been determined to be in the Canadian public interest be assessed and approved on a timely basis. Trans Mountain argued that the Project's timing was a part of the public interest determination, and that Burnaby's inaction flouts the federal purpose.

Trans Mountain submitted that delay on its own, regardless of motive, is sufficient to trigger both interjurisdictional immunity and paramountcy. It also argued that it would be illogical to require Trans Mountain to wait for a denial of a permit from Burnaby before seeking constitutional relief.

Further, or in the alternative, Trans Mountain argued that there is a conflict on the face of the Zoning and Tree Bylaws, and the federal Project approvals. With respect to the BTM, BTE, and WMT, Trans Mountain argued that the Tree Bylaw requires the Director of Planning to exercise

⁶Burnaby (City) v. Trans Mountain Pipeline, supra notes 3 and 4.

discretion to grant a Tree Cutting Permit, and that the possibility of a negative decision creates an operational conflict.

With respect to the BTE, Trans Mountain argued that the Board-approved location of storage tanks and related works coincides with a SPEA, which is prohibited under the Zoning Bylaw. It stated that the criteria to be used to assess whether a variance to the SPEA should be granted does not appear to consider giving effect to a federal approval.

With respect to the KB Site, Trans Mountain argued that the Board-approved temporary infrastructure site, which consists of a standalone worksite to be used solely on a temporary basis and which includes parking facilities more than 122 metres from the WMT, is not permitted under the Zoning Bylaw. Trans Mountain submitted that it is not clear whether its circumstances qualify as "hardship" that would justify a Burnaby Board of Variance decision to vary the Zoning Bylaw requirements.

Trans Mountain submitted that, under both doctrines of interjurisdictional immunity and paramountcy, Burnaby is precluded from seeking to apply its bylaws so as to impede or block any steps that Trans Mountain must take in order to prepare and locate the Project.

Trans Mountain argued that the principle of cooperative federalism does not apply in this case as a ground to deny the constitutional relief sought, given Burnaby's failure to fairly and efficiently administer its bylaws. Trans Mountain submitted that it is not seeking to escape its obligations — it has engaged in the Burnaby process in good faith and has fulfilled the spirit and intent of its commitment to obtain municipal permits. It argued that frustrating a federal undertaking through the administration of municipal bylaws is the antithesis of cooperative federalism.

ii) Burnaby's submissions

Burnaby submitted that there is no provincial/federal conflict or constitutional question that arises unless and until there is a variance to Certificate Condition 2. It argued that, if a variance were to occur, a constitutional issue of conflict would not exist unless Burnaby issues a negative decision on either the Zoning or Tree Bylaw that impairs the core of a federal undertaking, and Burnaby attempts to enforce its bylaws directly in a manner that impedes construction or operation of the interprovincial undertaking or otherwise conflicts with the NEB Act. Burnaby argued that both of these steps have not happened in this case, and may never happen. It asserted that the Board should not rule now on what is a hypothetical issue.

In terms of the Board's authority to decide the constitutional questions raised in the Motion, Burnaby cited *Windsor (City) v. Canadian Transit Co.*, which it says stands for the proposition that, just because a dispute involves a federal undertaking, does not mean that the jurisdiction of a Federal Court is engaged. Burnaby submitted that this case is different from the Board's decision in Ruling No. 40, in that Burnaby has yet to make a determination with respect to bylaw compliance and has not blocked Trans Mountain from undertaking Project work. It argued that,

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⁷ Windsor (City) v. Canadian Transit Co., 2016 SCC 54.

in simply assessing a permit application and applying bylaws, it is not doing or continuing any act contrary to the NEB Act or the Certificate.

Burnaby submitted that provincial law has a role to play in regulating the Project and that, in furtherance of cooperative federalism, the operation of the laws of both levels of government should be favored where possible. Burnaby argued that, while a provincial authority cannot refuse to allow a federal undertaking to proceed, it does have the jurisdiction to impose conditions. It submitted that granting the relief sought would leave local matters unprotected and would effectively require the Board to interpose itself as a municipal regulator.

It is Burnaby's position that paramountcy is not engaged. It argued that a mere overlap or duplication of regulation does not amount to a conflict, even if the provincial law is more restrictive than the federal law. Burnaby submitted that there is no impossibility of dual compliance. The Tree Bylaw provides for the ability to remove trees in circumstances that could reasonably be interpreted to apply to the PPA applications. Similarly, Trans Mountain could apply for a variance of the SPEA under the Zoning Bylaw. In terms of the KB Site, Burnaby submitted that minor variances to the siting and off-street parking requirements can be granted, but stated that Trans Mountain has provided no evidence that the only available site is the KB Site. Burnaby also argued that its bylaws do not frustrate the federal approval or purpose, as that approval expressly contemplated that Trans Mountain would work cooperatively with municipalities and comply with their bylaws.

Burnaby submitted that interjurisdictional immunity is similarly not engaged, and cautioned that its use should be limited and restricted to situations covered by precedent, noting that the trend of constitutional interpretation does not favour its use in an era of cooperative federalism. Burnaby argued that it cannot be said that conditions that require replacement or compensation for lost trees or streams, or obligations to meet fencing and parking rules, go to the "core" of a federal undertaking.

Burnaby submitted that it is not enough to establish that potential decisions under its bylaws could impact aspects of the Project. It stated that Trans Mountain's arguments are purely hypothetical. Burnaby submitted that, without any decision under the bylaws, there is no factual basis to determine whether a vital aspect of the undertaking is impaired.

iii) Attorneys general submissions

a) Alberta

<u>Alberta</u> supported the constitutional relief sought by Trans Mountain. It argued that abuse of discretion or unreasonable delay can be a serious obstacle to Project completion; it is not a hypothetical question.

Alberta agreed with Trans Mountain's submissions on paramountcy, arguing that the existence of a discretionary process, such as an exemption application process to potentially get around an express conflict in the bylaws, is not enough to displace an operational conflict. Alberta also

argued that the bylaws frustrate the siting and location aspects of the Project, and that Burnaby's unreasonable delay also frustrates that purpose.

Alberta also agreed with Trans Mountain's submissions on interjurisdictional immunity, although it submitted that this doctrine should only be considered if the Board has not found a conflict under the paramountcy doctrine. Alberta argued that allowing a province or municipality to impose unreasonable requirements or to delay issuing permits allows it to impair the core of a federal authority. It argued that Burnaby is improperly exercising control over whether and when the Project will proceed.

b) British Columbia

British Columbia submitted that the Board is empowered to decide constitutional questions, but should only do so when the question arises squarely on the facts established by the evidence. It argued that, if the Board is not satisfied, as a matter of fact, that Burnaby is deliberately attempting to thwart the Terminal Work through permitting processes under municipal bylaws, then it is not necessary to proceed with the constitutional analysis.

British Columbia submitted that, if the Board does decide to carry out the analysis, it should undertake it within the context of cooperative federalism. It noted that, if provincial and federal laws can generally function without operational conflict, they should be permitted to do so.

In terms of interjurisdictional immunity, British Columbia noted that the doctrine operates to protect the "essential and vital" elements of a federal undertaking, or those elements which are "absolutely indispensable or necessary" to it. It noted that "impairment" of an undertaking is a midpoint between sterilization and mere effects. British Columbia submitted that the doctrine should be applied with restraint.

British Columbia argued that no authority has been presented for the proposition that the regulation of tree removal, or stream mitigation measures, have been recognized as falling within the core of the federal legislative jurisdiction over interprovincial pipelines. It similarly argued that there was no authority for the proposition that construction of the facilities associated with an interprovincial pipeline lie within the core of the federal jurisdiction, either.

In terms of paramountcy, British Columbia submitted that the standard is high, and the doctrine should be applied with restraint. British Columbia argued that it is premature to make a finding of paramountcy because there is no operational conflict between the NEB Act and the bylaws before Burnaby makes a decision, or rejects the permitting applications; a position that was similarly argued by Burnaby.

c) Saskatchewan

<u>Saskatchewan</u> submitted that the doctrine of paramountcy is engaged because the Zoning and Tree Bylaws conflict operationally with the Certificate, and they also frustrate the purpose of the federal law.

With respect to the former, Saskatchewan argued that an operational conflict is created because the authority from the Board becomes subject to alteration and negation by the operation of the bylaws. With respect to the latter, Saskatchewan submitted that the Board and Cabinet have determined that the Project is in the broader public interest, and if the application of the bylaws to the Project would instead substitute the views of Burnaby, this would frustrate the conclusions of the Board and Cabinet.

Saskatchewan submitted that the Motion is not premature. It argued that a discretionary delay in issuing permits can itself be an operational conflict and frustration of a federal purpose.

In Saskatchewan's view, it is not necessary to consider interjurisdictional immunity given the conclusions on paramountcy.

iv) Views of the Board

a) Authority of the Board to decide the constitutional questions

The Board has the authority to consider constitutional questions relating to its own jurisdiction and this Motion raises such a question. Project construction and operation, including the Terminal Work, has been lawfully approved by the Certificate and certain other Board orders issued under the NEB Act. As a result, and for the purposes of the Terminal Work, Trans Mountain has all of the powers set out in section 73 of the NEB Act, including the ability to take all actions necessary for the Project's construction and operation. The Board has the authority to consider whether Burnaby's application of the Zoning and Tree Bylaws is contrary to, or is in conflict with, section 73 of the NEB Act, the Certificate, and relevant Board orders.

The NEB Act provides that the Board is a court of record. Under sections 12 and 13, the Board has broad discretion to inquire into, hear, and determine matters, and to provide a remedy, where it appears to the Board that any person has or is doing something contrary to the NEB Act. Subsection 12(2) of the NEB Act expressly gives the Board "full jurisdiction to hear and determine all matters, whether of law or fact."

The BTE, WMT, and KB Site are subject to the Certificate. In the Board's view, where provincial or municipal permitting has been incorporated into a federal approval (as is the case in Certificate Condition 2), there can be no federal/provincial conflict or constitutional question to be addressed with respect to that permitting. However, given that the Board has decided in Section G that relief should be granted from Condition 2 in this specific case, the constitutional questions raised in the Motion are rightly before the Board for consideration.

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⁸ Cooper v. Canada (Human Rights Commission), [1996] 3 S.C.R. 854; and Cuddy Chicks Ltd. v. Ontario (Labour Relations Board), [1991] 2 S.C.R. 5; and Ruling No. 40, supra note 2 discussed in Burnaby (City) v. Trans Mountain Pipeline ULC, supra notes 3 and 4.

b) General validity of the Zoning and Tree Bylaws

The Board is of the view, and notes that there is no dispute, that the Zoning and Tree Bylaws are validly enacted pursuant to provincial legislation falling within the constitutional legislative authority of British Columbia. These bylaws are of general application within Burnaby, and apply to the Terminal Work unless it is found that the doctrines of paramountcy and/or interjurisdictional immunity apply.

c) Cooperative federalism

The Board agrees with British Columbia' submission that "[t]oday's constitutional landscape is painted with the brush of cooperative federalism." The Board accepts that the preferred approach is to allow provincial and federal laws to both function where possible. It is important, and in the interest of cooperative federalism, that validly enacted provincial and municipal laws are respected such that matters of local concern are understood and addressed where possible in relation to federal undertakings.

However, it must also be said that the Project, as an interprovincial undertaking of which the Terminal Work is part, has been held to be in the overall Canadian public interest under the federal NEB Act. The public interest that was assessed is inclusive of *all* Canadians, with national, regional, and local benefits and burdens all having been considered. The Board agrees with Saskatchewan's submission that it would be contrary to a basic principle of federalism (that the federal jurisdiction takes into account the interests of all Canadians) if one province, or a single municipality of one province, could frustrate the construction of an interprovincial pipeline.

In light of the above, the Board has undertaken the constitutional analysis with due restraint, while also recognizing that there is an appropriate place for the doctrines of paramountcy and interjurisdictional immunity to apply where necessary.

d) Prematurity

The Board rejects the arguments of Burnaby and of British Columbia that the Motion is premature. The Board does not agree that Trans Mountain must necessarily wait to seek constitutional relief until such time that Burnaby rejects a permitting application, or imposes an inappropriately onerous condition, or takes formal steps to enforce its bylaws.

The issue of whether there is an operational conflict (or impossibility of dual compliance) on the face of the provincial and federal enactments can be assessed now.

Further, it is only logical that delay in processing municipal permit applications can, in certain circumstances, be sufficient in and of itself to engage the doctrines of paramountcy and interjurisdictional immunity. To hold otherwise would allow a province or municipality to delay a federal undertaking indefinitely, in effect accomplishing indirectly what it is not permitted to do directly. It is not a hypothetical matter. Accordingly, the Board has considered whether the

process undertaken by Burnaby under the Zoning and Tree Bylaws, including, but not limited to, the time elapsed, engages the doctrines of paramountcy or interjurisdictional immunity in light of all of the circumstances.

e) Paramountcy

The doctrine of paramountcy holds that, where there are inconsistent or conflicting validly enacted federal and provincial laws, the federal law prevails. Paramountcy renders the provincial law inoperative to the extent of the inconsistency or conflict. Consistent with the Supreme Court of Canada's finding in *Lafarge*, the Board finds that Trans Mountain has established the existence of valid federal and provincial laws and the impossibility of their simultaneous application by reason of an operational conflict or because such application would frustrate the purpose of the federal enactment.

Operational conflict

The Board is not persuaded that there is an impossibility of dual compliance *on the face* of the NEB Act, Certificate, and relevant Board orders on the one hand, and the Zoning or Tree Bylaws on the other. In other words, there is no operational conflict, and compliance with both is theoretically possible. This differs from the situation in *Lafarge*, in which it was not possible for the facility in question (in that instance an integrated cement facility situated in the Port of Vancouver) to comply with both the Vancouver Port Authority's approval of the development and the municipal requirement for a certain fence height.

In the Board's view, the fact that Burnaby's bylaws confer some discretion on decision-makers in terms of whether to grant a permit, or the fact that a discretionary variance of a bylaw may be required, is not in and of itself enough, in this case, to establish an operational conflict. The Board is not persuaded that the criteria for granting the necessary variances under the bylaws cannot accommodate the Terminal Work. The Board accepts that Burnaby cannot deny necessary municipal permits or variances thereto for the Project; however, this does not render the entire municipal permitting process inoperable. As was the case in Coastal First Nations v. British Columbia (Environment), 11 on its face, there are no obvious problems with the imposition of Burnaby's Zoning and/or Tree Bylaws on the Board-regulated Project. In the Board's view, concluding otherwise would be an overreach and inconsistent with the principles of cooperative federalism, which require that where regulatory authority might overlap between federal and provincial (in this case, delegated to the municipal level) jurisdictions, validly enacted legislative provisions should be applied harmoniously to the extent possible. The possibility exists to apply both the federal legislative scheme and the municipal bylaws to the Project components at issue in this Motion, as demonstrated by both Trans Mountain's commitment during the regulatory hearing to adhere to such bylaws, and the Board's inclusion of adherence to that commitment as a condition on the Certificate.

⁹ Canadian Western Bank v. Alberta, 2007 SCC 22.

¹⁰ British Columbia (Attorney General) v. Lafarge Canada Inc., [2007] 2 S.C.R. 86, at para 77.

¹¹ Coastal First Nations v. British Columbia (Environment), 2016 BCSC 34 [Coastal First Nations].

Frustration of federal purpose

The Board is of the view; however, that Burnaby's application of section 7.3 of the Zoning Bylaw and section 3 of the Tree Bylaw, in this specific instance, has frustrated a federal purpose.

All pipelines authorized under Part III of the NEB Act, including the Project, have been held to be in the Canadian public interest. Trans Mountain was granted the Certificate (and related Board orders) in respect of the Project after a thorough regulatory review by the Board and ultimate approval from the GIC. Trans Mountain, in respect of the Project of which the Terminal Work is part, is granted all of the powers in section 73 of the NEB Act.

The purpose of section 73 of the NEB Act is to facilitate the carrying out of interprovincial and international pipelines, and specifically their construction, maintenance, operation, and abandonment. There are no timeline restrictions in section 73. The section grants powers to Trans Mountain that are in effect now. The Certificate and related Board orders grant Trans Mountain the authorization to construct, operate, and maintain the Project's components. Trans Mountain's authority to act pursuant to section 73 of the NEB Act, and the authorizations granted in the Certificate and Board orders, are vital to the Project's orderly development and efficient operation, as they would be for all pipelines under the Board's regulatory jurisdiction. As was the case in *Rogers*, this orderly development and efficient operation is being compromised. ¹² In this instance, it is by Burnaby's actions, or inaction, in not assessing Trans Mountain's PPA applications in a timely and reasonable manner.

As discussed in Section F above, the Board has concluded that Burnaby's processes to review the PPA applications and its consideration of associated Tree Cutting Permits, including the overall time elapsed, was not reasonable. This includes the fact that the review time is the cause of, or is a significant contributing or exacerbating factor to, delay to Terminal Work construction, and the prejudice associated with that delay. There is no indication of an imminent resolution. The Board finds that Burnaby's unreasonable process and delay is frustrating Trans Mountain's exercise of its authorizations under the Certificate and other Board orders, and its powers under paragraphs 73(c), (e), (g), and (i) of the NEB Act. This is the case regardless of the nature of Burnaby's motives or intentions in applying its bylaws. Accordingly, the doctrine of paramountcy applies such as to render section 7.3 of the Zoning Bylaw and section 3 of the Tree Bylaw inoperable to the extent that they prevent the Terminal Work.

f) Interjurisdictional immunity

Under the doctrine of interjurisdictional immunity, undertakings falling within federal jurisdiction, such as the Project, are immune from otherwise valid provincial laws (and by extension municipal bylaws) that would have the effect of impairing (not just affecting) a core competence of Parliament or vital part of the federal undertaking. First, it must be determined if the provincial law trenches on the protected core of a federal competence. If so, it must be determined if the provincial law's effect on the exercise of the protected federal power is sufficiently serious to invoke the doctrine of interjurisdictional immunity. ¹³

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¹² Rogers Communications Inc. v. Chateauguay (City), 2016 SCC 23 at para 66, [Rogers].

¹³ Ruling No. 40, *supra* note 2

Based on the facts of this case, the Board finds that Burnaby's unreasonable process and delay in considering the PPA applications under section 7.3 of the Zoning Bylaw, and the Tree Cutting Permits under section 3 of the Tree Bylaw, impair a core competence of Parliament.

Even viewed with restraint, the unreasonable amount of time it has taken Burnaby to process the PPA applications and Tree Cutting Permits is having a sufficiently serious effect on *when* the Terminal Work, which is part of the Project, can be carried out. The Board agrees with Trans Mountain that the matters of *when and where* the Project can be carried out, and its orderly development, fall within the "core" of federal jurisdiction over interprovincial undertakings, and are vital to the Project. The Board has found that the Burnaby permitting process is the cause of, or a contributing or exacerbating factor to, construction delays. The process has had a significant and direct implication on Project timing.

Further, it is not just a matter of timing alone. Unreasonable or indefinite delays to the Project's timing or orderly development could in fact effect whether or not the Project is carried out at all (as Trans Mountain's evidence demonstrates). Clearly, the matter of *if* the Project is carried out falls within the core of federal jurisdiction. In this respect, the Board finds *Coastal First Nations v. British Columbia (Environment)*¹⁴ to be persuasive, as it is beyond Burnaby's jurisdiction to ultimately refuse the Project. In this case, the Board has found that the evidence on the whole does not support a conclusion that Burnaby is getting closer to issuing PPAs or Tree Cutting Permits. Rather, there is no indication of an imminent resolution.

This is not to say that any delay in provincial or municipal permitting processes will engage the doctrine of interjurisdictional immunity, a point British Columbia raised in attempting to distinguish this matter from the delay that precipitated such a finding in *Rogers Communications Inc.* v. *Chateauguay (City)*. ¹⁵ The Board has made its findings in this case based on the specific facts before it. The evidence does not demonstrate that Burnaby's actions or inactions were a legitimate exercise of municipal laws, but rather, viewed as a whole, that the delay already incurred, and ongoing with no clear end in sight, constitutes a sufficiently serious entrenchment on a protected federal power. The Supreme Court of Canada held in *Rogers* that the siting of component antenna systems are part of the core federal power over radio-communication. The Board similarly finds that the Project components at issue in this instance are of a similar nature. Just as the delay in *Rogers* prevented the company from constructing its federally approved network to the point of impairment, the Board finds a similar situation to exist here.

In conclusion, the Board finds that the doctrine of interjurisdictional immunity renders section 7.3 of the Zoning Bylaw and section 3 of the Tree Bylaw inapplicable to the extent that they impair the Terminal Work as authorized by paragraphs 73(c), (e), (g), and (i) of the NEB Act, and the Certificate and relevant Board orders issued under the NEB Act.

-

¹⁴ Coastal First Nations, supra note 11, at para 55.

¹⁵ Rogers, supra note 10.

I. CONCLUSION

The Board has determined that it is in the public interest to relieve Trans Mountain of the requirement of Certificate Condition 2, insofar as it requires Trans Mountain to obtain – with respect to the BTE, KB Site, and WMT – PPAs under section 7.3 of the Zoning Bylaw and Tree Cutting Permits under section 3 of the Tree Bylaw. This relief is granted pursuant to Certificate Condition 1 and does not require GIC approval.

The Board has the jurisdiction to decide the constitutional questions raised in the Motion and to grant the related relief sought. The doctrines of federal paramountcy and/or interjurisdictional immunity render section 7.3 of the Zoning Bylaw and section 3 of the Tree Bylaw inapplicable or inoperative to the Terminal Work. To be clear, this relief does not absolve Trans Mountain from compliance with any other relevant Burnaby bylaws.

All of the above constitute the Board's reasons for the issuance of Order MO-057-2017 on 6 December 2017.

D. Hamilton Presiding Member

> P. Davies Member

A. Scott Member

> Calgary, Alberta January 2018

Page 050 to/à Page 068

Withheld pursuant to/removed as

s.14

Page 069 to/à Page 092

Withheld pursuant to/removed as

s.14;s.22

Page 093 to/à Page 095

Withheld pursuant to/removed as

s.14

From: Andrews, Scott GCPE:EX
To: Andrews, Scott GCPE:EX
Subject: Morning Media Brief - Feb 2
Date: Friday, February 2, 2018 6:59:01 AM

Morning Media Brief, February 2nd

Top Stories: Pipeline Standoff, ICBC Financial Situation, VIU hosting Prime Minister's town hall in Nanaimo, BC Liberal Leadership Race, Cannabis, Metro Vancouver Board Pushes Housing Reform.

Opinion: Pipeline Politics, ICBC Reform.

Top Stories in South Asian Media: New anti-gang initiative to be announced, BC leadership race, ICBC losses, Brian Bonney sentencing, Tributes paid to Kalwinder Thind, Surrey light rail vs sky train expansion, KPU elections.

Top Stories in Chinese Media: Dispute between BC & AB governments, BC Liberal Leadership, ICBC deficit, illegal ride-hailing services

Section 1 - Press Gallery Summary

Justine Hunter (Globe and Mail)

"ICBC approaches 'D-Day' for capital reserves to pay soaring claims" (with David Ebner)
 Page A01

British Columbia's public auto insurer's ability to meet its obligation to pay claims is on a crumbling footing, according to a key measure of the financial health of an insurance company. The Insurance Corp. of B.C., according to its latest financial update, has only half of the capital it is required to hold in reserve to ensure that it is able to pay its claims.

Rob Shaw (Vancouver Sun)

"Liberal vote begins with Stone predicting battle with Watts"
 Page A03

"It looks like this race has really come down to Todd Stone-Dianne Watts," he said in an interview Thursday. "I'd be surprised if this thing doesn't go four ballots." Stone said he believes Liberal voters were unhappy at a deal between rival candidates Mike de Jong and Andrew Wilkinson, in which the two campaigns encouraged their supporters to select the other candidate as their second choice.

Tom Fletcher (Black Press)

<u>"Alberta premier ramps up oil pipeline battle with B.C."</u>
 The Chilliwack Progress

Alberta Premier Rachel Notley's escalating protests against B.C.'s plan to introduce new regulations on heavy oil transport to the Pacific coast are premature, B.C. Premier John Horgan says.

Mary Griffin (CHEK TV)

"VIU hosting Prime Minister's town hall in Nanaimo" (video link)

The pipeline battle between Alberta and B.C. will take centre stage at Nanaimo's Vancouver Island campus tomorrow morning. Prime Minister Justin Trudeau will be there, holding the latest in his series of town hall meetings. Trudeau and his government approved plans for the expansion of the Kinder Morgan pipeline last year.

Richard Zussman (Global BC)

"In the BC Liberal leadership race, every member's vote counts"

Computers will start counting when the polls close on Saturday at 5 p.m. The candidate with the

fewest votes on the first ballot will be eliminated from the race. But not every vote is equal. That's because of the point system. Every riding in the province is worth 100 points. So even if there are thousands of members in one Surrey riding and a few hundred in a Vancouver Island riding, they're all still worth the same. That means it's more valuable for campaigns to focus on ridings with fewer members because it's often easier to rally fewer people to vote than it is to bring out thousands.

Dirk Meissner (Canadian Press)

• <u>"'Enough is enough:' Alberta to suspend electricity purchase talks with B.C"</u>
The Chronicle Herald

EDMONTON — Alberta Premier Rachel Notley says her government is suspending talks with British Columbia on the purchase of electricity from the western province. It's the first step in Alberta's fight against the B.C. government's proposal to obstruct the Kinder Morgan oil pipeline expansion project by banning increased shipments of diluted bitumen to the province's coast. Up to \$500 million annually for B.C.'s coffers hangs in the balance, Notley said. "We're prepared to do what it takes to get this pipeline built — whatever it takes," she told a news conference Thursday after speaking with Prime Minister Justin Trudeau on the phone.

Section 2 - Major Newspapers

Vancouver Sun

<u>"Horgan parries 'sabre-rattling' from Notley over pipeline plan"</u>
 Derrick Penner, Page A01

Premier John Horgan expressed surprise Thursday at the blowback his government is getting by proposing new regulations aimed at limiting oilsands bitumen shipments through British Columbia. "We've not put in place anything at this time," Horgan told reporters. "We're going to put in place a scientific panel to look at the potential consequences of a catastrophic (bitumen) spill. I don't think that's unreasonable and I'm surprised at the response we're getting from Alberta."

• "Licensed stores hope for spot in new pot regime" Laura Kane, Page A12

Dispensaries operate in the so-called grey market, or the portion of the marijuana industry that has both illegal and legal elements. With legalization looming this summer, the fate of the licensed weed stores remains hazy. While B.C. has said it will allow both private and public shops, it has not released its full slate of regulations nor made clear how existing dispensaries will be incorporated.

The Globe and Mail

• <u>"Trudeau backs Alberta on B.C.'s Trans Mountain freeze"</u>
Kelly Cryderman, Shawn McCarthy & Mike Hager, Page A01

The battle over the flow of oil to the West Coast has ratcheted up with Prime Minister Justin Trudeau declaring that the Trans Mountain pipeline expansion will be built, and Alberta Premier Rachel Notley suspending electricity-purchase talks with B.C. - a move she says could cost that province almost half-a-billion dollars a year. Ms. Notley told reporters that she had a phone conversation with Mr. Trudeau Thursday in which she demanded he take "greater and clearer leadership on this."

<u>"B.C. mayors say rethink on housing is urgently needed"</u>
 Frances Bula, Page A12

British Columbia's mayors want a dramatic overhaul of housing policy and are asking the provincial government to enact bold changes to create rental-only zones, tax real estate speculation, regulate

provincewide short-term rentals and ensure buyers have more information about condo presales, among other measures. The municipal politicians said Thursday the changes are urgently needed for their cities, as they join many others in putting pressure on the NDP government to tackle increasingly alarming housing problems.

Section 3 - Opinion

• "The pipeline war no politician will win"

Gary Mason, Globe and Mail Page A17

Politics, nothing more, has incited the latest furor around the Trans Mountain pipeline. The fallout from the actions taken by the B.C. government this week could reverberate in this country for years to come. The implications for Prime Minister Justin Trudeau, Alberta Premier Rachel Notley and B.C. Premier John Horgan can't possibly be overstated.

"Horgan looks slick over transport of oil"

Vaughn Palmer, Vancouver Sun Page A15

When the New Democrats made their move this week against the increased transport of heavy oil from Alberta to the B.C. coast, the accolades soon followed. "Additional measures being developed to protect B.C.'s environment from spills," read the news release from Environment Minister George Heyman at 10:02 a.m. Tuesday. Eight minutes later, Green Leader Andrew Weaver welcomed the promised appointment of an independent scientific panel to assess the risks and determine whether they can be mitigated with regulations. Before the morning was out, Heyman had also collected some encouraging words from Stand.earth, the Georgia Strait Alliance, Sierra Club and the David Suzuki Foundation.

"Pipelines needed to support our economic future"

Tim McMillan, The Province Page A14

The day Prime Minister Justin Trudeau stood before the nation and declared the Trans Mountain pipeline expansion project was in the best interest of all Canadians, was the day our country took control of its energy future. This \$7.4-billion, nation-building project will not only create jobs for Canadians, it will spur economic growth, improve our competitiveness, decrease our reliance on the United States, and open Canada up to new trade partners, globally.

Tim McMillan is president and CEO of the Canadian Association of Petroleum Producers.

"Hard choices on ICBC"

Times Colonist Editorial, Page A13

As a commercial entity, ICBC is in desperate trouble. The corporation is forecasting a loss of \$1.3 billion in the current fiscal year. Yet in 2016, the company predicted red ink in the region of a mere \$11 million. So what happened? Political finagling no doubt played a part.

"Stopping B.C.'s crude little war"

Globe and Mail Editorial, Page A16

Prime Minister Justin Trudeau said the right things on Thursday in Edmonton when he forcefully came to the defence of Kinder Morgan's Trans Mountain pipeline project in British Columbia. "We will stand by our decision," he said of a critical energy infrastructure project that was thoroughly reviewed by the National Energy Board and approved by cabinet in 2016.

• "How we can resolve Canada's pipeline wars"

Thomas Gunton, Globe and Mail Page B04

B.C.'s recent decision to introduce regulations on bitumen to protect its environment - followed by Alberta's threats of economic retaliation - are a significant escalation of the growing conflict over proposed pipeline projects. The cost of this type of conflict is well illustrated by the "war in the woods" battles in British Columbia in the 1990s, which included large-scale protests, mass arrests and costly court battles that sullied Canada's reputation and left all Canadians worse off. Fortunately, the war in the woods was solved by creative conflict-resolution techniques that can also be applied to the pipeline dispute.

Thomas Gunton is director of the resource and environmental planning program at Simon Fraser University and a former B.C. deputy minister of environment who helped resolve the province's 'war in the woods'.

Section 4 - Radio

Jon McComb Show

(6:08am audiolink) Greg Moore reports increasing supply will not solve the lower mainland's housing affordability challenge. The Port Coquitlam mayor is calling for a speculation tax.

(6:38am audiolink) Vaughn Palmer is applauding John Horgan's efforts to cool the debate around the Trans Mountain Pipeline. The Sun columnist notes the NDP government is doing its best to score political points with environmentalists while not leaving itself open to a lawsuit.

CBC Early Edition with Stephen Quinn

(6:27am audiolink) David Blair reports the feds will announce changes to the way it approves energy projects, especially through the NEB. The business columnist notes the feds will now only do a full project review if the industry is confident that it can go ahead before spending millions of dollars.

Section 5 - Events, News and Speeches

 (2:00pm) Vancouver -- Premier John Horgan holds Trade Mission wrap-up event with Ministers Ralston, Beare and Chow: Provincewide news release. Event Lead: Jarrett Hagglund.

Section 6 - Outside Government

• (7:10am) CBC On the Island with Gregor Craigie -- Interview with Prime Minister Justin Trudeau at 7:10am: The Prime Minister is interviewed in advance of his Townhall QA in Nanaimo which begins at 11:00am at Vancouver Island University Gymnasium.

Scott Andrews
Media Relations Officer
Government Communications and Public Engagement
250-886-2784

From: Oreck, Mira PREM:EX
To: Clark, Layne PREM:EX
Subject: Stakeholder Engagement

Date: Wednesday, February 7, 2018 1:11:04 PM

Below is a summary of the conversations I've had today with stakeholders in the wine industry. Ian Waddell:

- On contract with BC Wine Institute
- Connected me to them
- Bringing them to Victoria the week of throne
- Happy to be helpful on message

Miles Prodan, CEO BC Wine Institute

- Grateful for the call, contact
- Feels supported spoke to DM of Ag and ADM trade
- Says members are very concerned about this it is not a threat, it is happening
- Shipping companies have asid they can't drop off or pick up all shipments of wine will be stopped as of Feb 14th
- He has one member who has an exclusive contract with the Calgary Flames who believes they will go bankrupt as a result of this decision
- Restaurants Association have offered to get their members to buy more wine
- He's hoping there will be more space created through the distribution branch to sell BC wine
- I told him his message to date has been very strong and we encourage him to stay course
- He is totally neutral on pipelines doesn't care about our position or anyone else's just
 wants support for his industry. Hasn't heard about any members taking positions on
 pipelines.
- I told him I would stay in touch with him and to be please be in touch with me if anything changes on his end

Mira Oreck, Director of Stakeholder Relations Office of the Premier #740 – 999 Canada Place Vancouver, BC

s.17

From: Brubacher, Kelly IGRS:EX
To: Yuma Morisho, Okenge PREM:EX

Subject: Correspondence

Date: Tuesday, February 6, 2018 5:29:51 PM
Attachments: Ltr Hon John Horgan 6Feb2018.pdf

FYI Okenge.

Kelly Brubacher

 $\textbf{Executive Coordinator} | \textbf{Intergovernmental Relations Secretariat}| \textbf{Office of the Premier} | \textbf{Government of British Columbia}| \textbf{Canada}| \textbf{Canada$

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February 6, 2018

The Honourable John Horgan Premier of British Columbia West Annex, Parliament Buildings Victoria, British Columbia V8V 1X4

By electronic mail: premier@gov.bc.ca

Dear Premier:

I am writing regarding the announcement of January 30, 2018 from Honourable George Heyman, Minister of Environment and Climate Change Strategy regarding the Government of British Columbia's "..... second phase of regulations to improve preparedness, response and recovery from potential spills". Although the Trans Mountain Expansion Project was not specifically mentioned, we question the intent and purpose of several measures introduced by the Minister, as well as the broader objectives of the Government of British Columbia.

We are of the view that further review, as contemplated by the Minister, beyond what has already been completed or planned, is unnecessary and is in fact in conflict with regulatory processes and protective measures that have been undertaken by the National Energy Board (NEB), the Government of Canada and the Government of British Columbia. If your review proceeds, as suggested, it should build on the extensive work undertaken by experts in the field of spill response and oil spill behavior, and it should be used to broaden understanding and learning, not as a tool to frustrate or delay our Project and investment generally in the energy sector in Canada. We understand that additional information from your government about the review will be forthcoming in the coming weeks.

The Trans Mountain Pipeline has been safely shipping crude oil and refined products in BC for 65 years. Diluted bitumen has been transported in our pipeline for 30 years. We take great pride and effort to ensure we operate safely and work with governments at all levels to ensure the legislation, regulation and policy overseeing the shipment of oil and oil products are world class. Trans Mountain, for example, was one of the first operators in North America to introduce real-time leak detection for pipelines. We were also instrumental in supporting the deployment of advanced digital navigation aids now used by BC Coast Pilots on the West Coast to enhance safety for all forms of large vessel commercial shipping.

After completing the required regulatory review process for the Trans Mountain Expansion Project, the Government of British Columbia granted its Environmental Certificate in January 2017. At the same time the Government of British Columbia also confirmed Trans Mountain has met the "Requirements for British Columbia to Consider Support for Heavy Oil Pipelines"; including world-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks of heavy oil pipelines. The satisfaction of British Columbia's Requirement 5 included that "British Columbia receives a fair share of the fiscal and economic benefits that reflects the level, degree and nature of the risk borne by the province, the environment and taxpayer" and the culmination of the commercial agreement between the Government of British Columbia and Trans Mountain. The Agreement ensures that over the 20-year term of the Agreement the Province of British Columbia will receive a minimum of \$500 million and up to one billion dollars, depending on volumes moved and the parties' performance and respect of their obligations under the Agreement. This is a financial contribution that is incremental to the jobs, royalties, taxes and other economic benefits the Project's construction and operations will create. It is money targeted and designed to enhance British Columbia's environmental stewardship and protection. This unprecedented investment by Trans Mountain in British Columbia goes directly to the very principles of environmental responsibility that we share with your government.

Over the past five years, Trans Mountain and stakeholders participated in consultation initiatives that resulted in the new provincial spill response regulations that took effect last year. Trans Mountain has worked with the Government of British Columbia under its principle to avoid duplication among regulators. We expect this to continue. For the second phase of these consultations we have supplied Ministry staff and representatives with significant information regarding response times and geographic response plans. Regarding compensation, we note that Trans Mountain has a financial assurances plan that provides for coverage of one billion dollars (growing to \$1.1 billion with the Project) for loss or damages from a spill including cleanup and remediation, and loss of non-use value of a public resource.

In July 2017 I wrote to you after you became Premier-Designate of British Columbia and had completed the Confidence and Supply Agreement between the BC Green Caucus and the BC New Democrat Caucus. That letter contained a comprehensive account of the NEB and the BC Environmental Assessment Office (BC EAO) regulatory processes that resulted in approval and associated conditions of our Expansion Project by Canada and British Columbia. I offered to meet with you at the time, to share with you further information and the invitation has, and continues to remain open.

As I have said here and elsewhere publicly, we respect your government's commitment to environmental protection and I can assure you we share that same commitment. Our commitment is evidenced by our past and current operations, and all of the activities underway resulting from the federal and provincial regulatory processes for the Project. In its report, the NEB devoted a specific chapter to the behavior of oil, including diluted bitumen and a thorough review of the extensive scientific studies, modelling and research on the subject. Diluted bitumen, its properties, transportation and cleanup of spills, has been and continues to be studied for many years by third parties in Canada and the US including the National Research Council and the Government of Canada (Environment and

Climate Change Canada, Department of Fisheries and Oceans and Natural Resources Canada). Trans Mountain collaborated with the Province of British Columbia and other stakeholders including Indigenous communities, for more than three years in the development of BC's new, world-leading land-based spill response regime that resulted in legislated changes in 2016.

Many of the areas outlined in the recent announcement by the Minister are already captured in the NEB and BC EAO certificates. For example, Condition 35 to the BC EAO addresses research on the fate and behaviour of bitumen specifically regarding the behaviour and recovery of heavy oils spilled in freshwater and marine aquatic environments, including research programs having the objective of providing spill responders with improved information on how to effectively respond to spills. All of which is being developed in consultation with the appropriate provincial and federal authorities and Indigenous communities. The research topics include physical and chemical properties of the oil and other products intended to be shipped from the Westridge Marine Terminal, product weathering, dispersion and oil/sediment interactions, product submergence, product behavior, cleanup and remediation options for sediments and shoreline.

In addition to the above, Trans Mountain is participating in efforts to further understand oil properties for the betterment of response. Current research initiatives include:

- i. An independent, science-based multi-million dollar study, was commissioned by the Canadian Energy Pipeline Association (CEPA) and the Canadian Association of Petroleum Producers (CAPP). A Science Advisory Committee comprising of federal agencies and independent spill response experts was set up to provide feedback and guidance. The study is designed to evaluate and compare the physical and chemical properties of various types of crude oil that move in North America. Over 10 types of crude oil, including several diluted bitumen products are undergoing a battery of tests to determine how fresh and weathered the oils behave in various marine, estuarine, and freshwater settings, under different environmental conditions. The study is in progress and results will be publically available at the end of 2018. We will assess the findings to identify opportunities to improve spill response strategies.
- A joint industry project including the governments of British Columbia and Alberta to independently evaluate and review current inland spill response technologies focusing on diluted bitumen. The purpose of the Inland Spill Response Joint Industry Program was to conduct a comprehensive review of the current technology that exists for in-land spill response oil recovery; apply the existing technology to four scenarios; identify suitable technologies and to identify gaps in the existing current technology. The review focused on diluted bitumen (dilbit). The study was completed in 2017. The findings have led to improvements in our Emergency Management Program and response strategies, including, however not limited to, the development of a Sunken and Submerged Oil Plan. The plan includes methods to recover sunken oil.

iii. Support of the International Institute for Sustainable Development-Experimental Lakes Area Program. This unique industry and government collaborative Program is examining the fate and behavior of diluted bitumen and conventional heavy crude oil in a freshwater shoreline environment. Baseline chemical and biological information was collected in 2017 for a natural lake study site, using an actual Canadian lake. In 2018, a controlled spill of oil will be used to quantify the efficiency of immediate product recovery and further analysis of residual oil constituents. Potential impacts will be evaluated for 16 weeks. The information from this portion of the project will be used to determine if degradation is significantly different for diluted bitumen and conventional heavy crude oil, and if wave energy has a significant effect on oil degradation rates in the freshwater shoreline environment. The program will also compare clean-up methods for the oil spilled. Another larger project will be undertaken in 2019.

Significant progress regarding Geographic Response Plans has been made as part of BC EAO Condition 33. In addition we have consulted and engaged with BC Ministry of Environment and Climate Change Strategy multiple times regarding geographic response planning, including sharing our plans. Feedback received from the Ministry was incorporated into the plan, and at the last meeting in October 2017, we received confirmation from Ministry staff on our approach to geographic response planning for the pipeline system. Consultation and input into the development of the plans, including the identification of sensitive, natural, cultural resources was conducted with local and regional governments, first responders and Indigenous communities. We are on schedule, as planned, to have them implemented by mid-2018 after final Indigenous consultation has been completed. In addition, in compliance with NEB Condition 117 there will be an update in 2018 on the enhancements already implemented in the Kinder Morgan's Emergency Management Program, and the related consultation with Indigenous communities and stakeholders.

After reviewing my letter to you of July 2017 and the substantial progress made with respect to both the federal and provincial conditions, I am struck by how many of the same issues raised in the Minister's announcement, especially those focusing on the Project and impact of bitumen based crudes (dilbit, heavy crude) along the pipeline and marine vessel routes, are already well underway. I am at a loss to understand what approach to investigation, further study, and environmental protection has not been undertaken or is not underway.

Trans Mountain has, and continues to respect all necessary and fair regulatory requirements for the Project. This Project has been deemed to be in the national interest and we are confident it can be built and operated in respect of communities and the environment.

The portion of your Minister's announcement suggesting the Province of British Columbia would consider attempting to place restrictions on diluted bitumen transportation is particularly troubling. Setting aside whether such a restriction is legal or within British Columbia's jurisdiction, we are extremely disappointed that we learned of the proposed restrictions only after the press release was issued. The implications of such a threat strike directly at the heart of our country's oil and natural gas producers, and producing provinces, energy customers in the Lower Mainland, Canada, USA and overseas, and the

men and women who earn a living supporting the energy industry in this country. As I am sure you are aware, provincial powers cannot be used to compromise the orderly development and efficient operation of interprovincial works or undertakings. The NEB recently applied this same principle to find certain City of Burnaby bylaws were constitutionally inapplicable or inoperative on the basis of unreasonable delay. To that end we have initiated a technical and legal review of whether the suggested provincial initiatives could apply lawfully to a federally regulated Project. This will of course be informed by the proposed regulations contained in the forthcoming intentions paper.

In conclusion Premier, I hope that you will consider the severity and consequence of the actions your Minister has proposed and that you will accept my offer to meet with you to discuss these and any other matters relating to the operations of our company in British Columbia. In the coming weeks, I will be meeting with shippers, investors, Indigenous communities, suppliers and contractors. Following my anticipated discussion with you, I hope to tell them that while your government's position with respect to our Project is clear, there is a predictable, reasonable and timely regulatory and permitting process in BC that will allow major, energy projects to proceed.

Yours truly,

TRANS MOUNTAIN PIPELINE ULC

an Anderson

President, Kinder Morgan Canada Limited

cc: Hon. Rachel Notley, Premier of Alberta

Hon. Jim Carr, Minister of Natural Resources

From: Maranda, Pierrette IGRS:EX
To: Yuma Morisho, Okenge PREM:EX
Cc: Sigurdson, Judi IGRS:EX

Subject: Federal Govt statement on federal pipeline approval and BC announcement

Date: Monday, February 5, 2018 9:07:00 PM

Okenge: see below Judi's email.

Sent from my BlackBerry 10 smartphone on the Rogers net

From: Sigurdson, Judi IGRS:EX

Sent: Monday, February 5, 2018 9:03 PM

To: Maranda, Pierrette IGRS:EX Cc: Smith, Grant H IGRS:EX

Subject: Federal Govt statement on federal pipeline approval and BC announcement

Jim Carr's Facebook post (by Ministers Carr, Garneau and LeBlanc) on the federal government's decision process for Trans Mountain and Northern Gateway, & BC announcement, the Ocean Protection Plan ...

I put the link here and copied the text below. (My bolding)

Judi

https://www.facebook.com/JimCarrWSC/posts/1516210485166352

Our government approved the Kinder Morgan Trans Mountain expansion project because we know we can grow the economy and protect the environment at the same time.

We understand that we must get our resources to global markets, diversifying beyond the United States, the destination for 99 percent of our oil exports. We understand that thousands of jobs for middle class families hang in the balance. And, we know that our international reputation as a good place to invest is on the line.

We also understand that, in the 21st century, getting our resources to market means doing it sustainably and responsibly, and in partnership with Indigenous Peoples and impacted communities.

When deciding on the Trans Mountain expansion project, our government conducted a thorough review based on science and evidence. We considered five factors: ensuring the engagement of Indigenous peoples concerning their rights and interests; oceans protection; ensuring the project could be built and used safely and securely; ensuring the project fit within Canada's climate change target; and determining whether the project was in the national interest.

The same day we approved the Trans Mountain expansion project we rejected the Northern Gateway Pipelines project. We only approved the Trans Mountain expansion project because it fits within our national climate strategy and meets the strictest environmental standards. We could not have moved forward without Alberta's Climate Leadership Plan or the best in class marine safety standards and capability we are putting in place through our historic Oceans Protection Plan.

Our government will make sure these initiatives and priorities continue to lead our actions and decisions, and live up to the standards Canadians deserve and expect. We will remain steadfast in our support for the Trans Mountain expansion project, and get our resources responsibly and safely to new markets across the Pacific.

This week, the British Columbia government announced it would consult on restricting oil exports from its coast due to a perceived lack of oceans protection. We agree our oceans are essential to all Canadians, which is why, in 2016, Canada launched the Oceans Protection Plan – a \$1.5

billion dollar plan that meets or exceeds Alaska and Norway's world-leading ocean protection practices. This includes the largest investment in the Canadian Coast Guard in years.

Canada needed this plan, pipeline or no pipeline. We need it to better care for our coasts and our oceans.

If the BC government wants to explore how, within its jurisdiction, it can support these efforts to protect our waters and coastal communities, we welcome that. Yet we would hope that BC does so realizing that the impacts and benefits of the Trans Mountain expansion project reach beyond its borders. It stands to benefit Canadians across the country, just as the existing Trans Mountain pipeline has done since 1953.

We understand that the biggest concern on everyone's mind is the response to a potential oil spill. We have built an oceans plan that will maximize every safeguard against a spill happening in the first place, and protect our coasts and marine life.

Through the **Oceans Protection Plan**, the Canadian Coast Guard now has more people, more authority, and more equipment to do its vital and necessary work. For the first time, two large tow vessels will be on-call on the BC coast. Several Coast Guard vessels will be equipped with specialized tow kits to improve capacity to respond quickly. Primary Environmental Response Teams composed of dedicated, specially trained personnel will further strengthen the Coast Guard's existing on-scene operations. We also reopened the Kitsilano Coast Guard Station with new rescue boats and specialized pollution response capabilities.

The Oceans Protection Plan focuses on protecting important species across our oceans. In the Pacific, the priority is protecting the Southern Resident Killer Whale population and helping their numbers recover.

The Oceans Protection Plan will also improve regional plans with partners, primarily coastal and Indigenous communities who have irreplaceable, on-the-ground and traditional knowledge.

Our government is also strengthening the polluter-pay principle, which will ensure that adequate industry-funded compensation is available for those affected by oil spills. Canadians should not be responsible for cleaning up spills in our oceans.

Our job, as Ministers responsible for Canada's fish habitat, oceans, shipping, and natural resources, is to create the best possible environmental protection while also creating the best possible job opportunities for Canadians. Some say we can't do both. We disagree.

We approved this pipeline because we know our coasts and communities will be well protected. Every consideration was taken. We have invested in our beautiful coasts and are simultaneously growing critical access to global markets for Canadian resources.

We will continue to do so sustainably and for the benefit of all Canadians.

The Hon. Jim Carr, Minister, Natural Resources Canada

The Hon. Dominic LeBlanc, Minister, Fisheries, Oceans and the Canadian Coast Guard

The Hon. Marc Garneau, Minister, Transport Canada

From: Maranda, Pierrette IGRS:EX Yuma Morisho, Okenge PREM:EX To: Subject: FW: Summary - Townhall...

Friday, February 2, 2018 2:22:42 PM Date:

Attachments: image002.jpg

PM faced rowdy crowd - 2 people removed

From: van Marum, Karen IGRS:EX Sent: Friday, February 2, 2018 1:54 PM

To: Maranda, Pierrette IGRS:EX Cc: Sigurdson, Judi IGRS:EX Subject: Summary - Townhall...

Quick notes... Questions: Fishing rights Canada - Iran

Tension in Korean Peninsula

Pipelines

US & Canadian politics

Sign language in accessibility legislation

Education in French language

NAFTA (Chapter 11)

Affordability

Residential schools – educating Canadians

Fish Farms

Animal protection

High cost of pharmaceuticals

Opioid crisis

Summer Job Grant program

Indigenous Children in Care

Living trusts – exemptions

Affordability – teen moms

Group from Maamtagila in the Broughton Archipelago walked out of the town hall approximately 10 minutes to the end

Pipeline --- love and respect the BC coast. Demonstrated that throughout campaign.... You can no longer make choice good for economy or good for environment. Choice to be made...but most Canadians understand we have to do both. Moratorium on North Coast, move forward in responsible way that didn't jeopardize environment...that's one of the things we did... northern gateway pipeline was not a good to move forward. GBR is no place for crude oil pipeline / super tankers. Even though there were some indigenous communities who wanted it. We cancelled it. On Kinder Morgan we applied the same sort of thinking... Canada needs to *INTERUPTION* "We were welcomed here by the Chief to have a respectful conversation. The Chief welcomed you" Chief takes microphone – Thank you for passion and concern – must respect each other's comments and concerns. Engage respectful dialogue.

PJT - I am trying to engage with you... not able to answer this lady's questions because you think her voice is more important than for her to listen to my answer. Chief just asked to be a little more respectful. Are you going to say no to him?

I have spent number of weeks having excellent conversations... ALS medication was brought up at first town hall....him asking had us follow up... help and

Opportunity for me to hear concerns. Trust me I know your concerns. I'm asking to be able to ask their concerns... room full for questions. Respect.

If you don't respect people in this room – please room this room.

Apologize – stretch out –

We committed to move forward with carbon reduction targets and a plan. Bring in a national price of carbon right across County. We are going to meet Paris Agreement. When we do that have to understand it's going to impact different parts of the country. Cap on oil sands emissions which is part.

Show of hands... asking police to remove you...

I'm sorry... I've given you a few chances.

We brought in a national carbon reduction plan that is going to allow us to reach our Paris commitments. Part is approving the KM pipeline. National interest to move forward. We will be moving forward with the KM pipeline. We will be protecting the BC coast at the same time. Girl: worried about politics of US and Canada – what are you doing to make a better place..? Worked hard to build. We've made mistakes along the way – systemic mistreatment to IND peoples who welcomed first settlers of this land. Systemic racism. We are doing a pretty good job to look at diversity... source of strength for us. We do good job, a lot more to do. Have reasonable discussions.. different perspectives... more we learn better our politics. Engagement in others...

sign language UN – Canada sponsor – thank you for support to deaf. Accessible legislation – will you recognize sign language?

Accessibility have to put at forefront. "Barrier-free Canada" Don't know where latest deliberations are with that.

Education in French – linguistic rights be respected?

Minority linguistic communities... make sure financial investment. Road map on official languages will be released... defend our beautiful official language.

Linguistic duality is building block that led to successful multicultural.

Put forward our updated official languages strategy – core to how we exist as diverse country. NAFTA and trade agreements – disappointed in electoral reform, Site C and Kinder Morgan. NAFTA – Trump – Chapter 11 voluntary. Quarry – loss of potential profit. Why support Ch 11 - I don't want to be paying out KM after we say no. Because we are going to stop it.

Investor State Dispute – move to make is to change model so that a gov't could not be sued for protecting env – Europeans were able to do that. Progressive trade deal / gender lens / we have had enough 1% not workers. NAFTA – complex and challenging. Pushing for best deal .. Canada is willing to walk awy. Not pushed around. Confident about NAFTA – regardless of perceptions...good for US, workers Canada. Cancelling would be harmful... fight for things you talk about.

KM – plan if there is an oil spill?

Decision on KM / NG – KM well serviced port – has capacity to deal with incidents. Conditions need to be met. Go together. Technological and regulatory that will protect us. Reduce carbon emissions... we have pan can framework, because we can continue to develop with resources in safe and secure ways.

Affordability – decent living wage to have decent life in Nanaimo?

New construction to alleviate –

Economic growth - not govt who creates, Cdns do. Lower taxes middle, raise higher.... Child benefit

9/10 get...reduce child poverty by 40percent... help for families and more confidence. Lowest unemployment rate, fastest growing in G7.

Invest transit, institutions...investment in science, research, focus on giving tools to people. Close gender wage gap...

Residential schools – learned in U...not in elementary school etc – learn about it?

T&R Commission delivered call for action. Taken on all of those implemented. K-12 education is provincial. Historical shame. Intergenerational trauma. Foster care – have to deal with – pleased moving forward on addressing. More awareness is important. Reconciliation is not just about gov. all have role to play.

Fisheries – fish farms?

This morning...chief science advisor creation of panel to dig into science and data of how we move forward that also folds in traditional knowledge. Concerns re: how we are moving forward. Safe for environment and ecosystem.

Animal protection? Bill C246...importation of shark fin / etc. Factory farming? Labs? Animals abused in farms, factories, labs, homes...Lib done nothing... killed action...

Challenge: debate set up as polarizing one – activists vs farmers. Urban and rural. Recommendation work closer with farm groups / rural to find path forward. We agree on values. IF set up as a conflict...it's going to be something that won't get to desired outcome.

Summer Job Grants – values morality test?

Faith groups are essential to strength of our country – do important work in community... we need faith orgs to continue to draw and give experiences to students ... however, orgs that have explicit mandate to fight against rights established in Charter...will not get govt funding. Nothing about this that goes to beliefs or values. You can do it, but don't expect funding to put kids to work doing that. Not values / beliefs. Being consistent. Stand up for rights, women, LGB, marginalized who need protection of Charter.

Children in care – more indigenous than entire amount that went to residential school. Is there an urgency?

Fed has jurisdiction...child services are prov...last week how we are moving forward. Far too many being taken and put into foster homes...path to losing identity... delegitimizing... legacy of residential – support vs taking them away. Give them control over education

Pharmaceutical costs – bulk buy to leverage, mandate already thinking about it....

Opioid crisis – we do recognize, ride alongs, PHOs – pill presses, int'l partners part China... harm reduction community for safe injection sites.... A lot more to do... working with prov/muni. Face tragedies – failing in opioid crisis...

Canadian Summer Jobs – father legacy – remove offensive clause?

Innovation/technology – why not find ways to do so safely to transport resources?

About people who work in resource industries – have to think about all CDNs... Canadians did well because of success of AB. We recognize. Find solutions to move forward beyond fossil fuels and oils. Going to be a transition time. Twinning of an existing pipeline...while we figure out to be less reliant. Manage transition in right way.

walk out?

Living trusts – personal residence exemption... sell homes with gain tax free... - discrimination... amend the proposal... restore exemption – grandfather revision?

Take information – need to follow up on. Unintended consequences.

Affordability – teen moms returning to school?

Canada Child Benefit... 6400/yr Income support programs... two lives at stake here (friend and child)

Karen van Marum

Director, Strategic Services Intergovernental Relations Secretariat 250-889-3664



From: Schollen, Tasha GCPE:EX

To: Hammond, James JTT:EX; Yuma Morisho, Okenge PREM:EX; Mihlar, Fazil JTT:EX; Anderson, Steve JTT:EX

Subject: RE: CBC news: Alberta premier threatens economic retaliation against B.C. over bitumen restrictions

Date: Wednesday, January 31, 2018 6:02:01 PM
Attachments: OA Spills Regs Feb 2018 Final.docx

NR Spills Regs Phase2 Jan 2018 Draft 18.docx

Hi sorry for the delay, I've been in meetings and am just seeing this now.

These are Environment's lines.

From: Hammond, James JTT:EX

Sent: Wednesday, January 31, 2018 2:37 PM

To: Yuma Morisho, Okenge PREM:EX; Mihlar, Fazil JTT:EX; Anderson, Steve JTT:EX; Schollen, Tasha GCPE:EX Subject: Fwd: CBC news: Alberta premier threatens economic retaliation against B.C. over bitumen restrictions

s.13,s.16

Jamie

James W. Hammond Assistant Deputy Minister International Strategy and Competitiveness Ministry of Jobs, Trade and Technology Office: 778-698-8778

Begin forwarded message:

From: "Anderson, Steve JTT:EX" < Steve. Anderson@gov.bc.ca>

Date: January 31, 2018 at 3:32:46 PM EST

To: "Hammond, James JTT:EX" < <u>James.Hammond@gov.bc.ca</u>>

Cc: "Musgrave, Robert JTT:EX" < Robert.Musgrave@gov.bc.ca>, "Carnaghan, Matthew

JTT:EX" < Matthew.Carnaghan@gov.bc.ca >, "Newman, Stephanie JTT:EX"

<Stephanie.Newman@gov.bc.ca>

Subject: CBC news: Alberta premier threatens economic retaliation against B.C. over bitumen restrictions

Alberta Premier Rachel Notley denounced as "unconstitutional" an effort by the B.C. government to delay construction of the Trans Mountain pipeline expansion, and threatened Wednesday to retaliate economically.

http://www.cbc.ca/news/canada/edmonton/alberta-bc-crude-restrictions-kinder-morgan-pipeline-legal-action-1.4512068

Shared from the CBC News App for iPad



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Withheld pursuant to/removed as

s.13



NEWS RELEASE

[release number] January 30, 2018 Ministry of Environment and Climate Change Strategy

Additional measures being developed to protect B.C.'s environment from spills

VICTORIA –The provincial government is proposing a second phase of regulations to improve preparedness, response, and recovery from potential spills.

The first phase of the regulations, approved in October 2017, establish a standard of preparedness, response and recovery necessary to protect B.C.'s environment. With some exceptions for B.C. Oil and Gas Regulated entities, the phase one regulations apply to pipelines transporting any quantity of liquid petroleum products, and rail or trucking operations transporting over 10,000 litres of liquid petroleum products.

For the second phase, the province will be looking for feedback in five areas:

- Response times, to ensure timely responses following a spill;
- Geographic response plans, to ensure resources are available to support an immediate response that take into account unique characteristics of a given sensitive area;
- Compensation for loss of public and cultural use of land, resources or public amenities in the case of spills;
- Maximizing application of regulations to marine spills; and,
- Restrictions on the increase of diluted bitumen ("dilbit") transportation until the behaviour of spilled bitumen can be better understood and there is certainty regarding the ability to adequately mitigate spills.

"The people of B.C. need to know that there is effective spill management across the province, and in particular for our most sensitive and vulnerable areas, including coastlines," said George Heyman, Minister of Environment and Climate Change Strategy. "We believe spills should not happen. But if hazardous pollutants have potential to spill, our government will ensure that spillers must be prepared and able to fully mitigate the environmental damage before they proceed."

An independent scientific advisory panel will be established to make recommendations to the Minister of Environment and Climate Change Strategy on if and how heavy oils can be safely transported and cleaned up if spilled.

"The potential for a diluted bitumen spill already poses significant risk to our inland and coastal environment and the thousands of existing tourism and marine harvesting jobs," said Heyman. "British Columbians rightfully expect their government to defend B.C.'s coastline and our inland waterways, and the economic and environmental interests that are so important to the people in our province, and we are working hard to do just that."

The process to receive feedback on the proposed regulations will feature engagement with First Nations, to begin as soon as possible. To ensure the views of the broad range of stakeholders are heard, government will meet with industry, local governments and environmental groups over the coming weeks and months.

As well, the general public will be able to provide input online through written comments, once an intentions paper is released. The intentions paper will provide an overview of the proposed regulations, and is expected to be posted before the end of February 2018.

A backgrounder follows.

BACKGROUNDER

Proposed regulations under the Environmental Management Act (EMA) to improve liquid petroleum spill response and recovery:

1. Response times

Response times are the established timeframes within which response resources will be activated and arrive at a spill site. Currently, the Ministry of Environment and Climate Change Strategy does not regulate in this area. Establishing response time requirements would align with practices of other regulators and in neighbouring jurisdictions.

2. Geographic response plans

Geographic response plans (GRPs) identify sensitive, natural, cultural, or significant economic resources at risk from spills, and outline the response actions that are appropriate for that site to minimize impacts to these resources should a spill occur. GRPs are map-based and each one has a variety of information that is useful to responders, particularly in the first 48 to 72 hours of a response.

3. Loss of public use

Loss of public use refers to the requirement that spillers provide some form of restitution for the impacts of spills on the use and/or enjoyment of public spaces and resources, such as the use of beaches, parks, and forests, the enjoyment of wildlife, wilderness spaces, food resources, recreation, and drinking water, as well as the intrinsic value of archaeological and cultural sites.

4. Marine application

The Province seeks to broaden existing ministry authority to ensure provincial interests are fully addressed in marine spill prevention, preparedness, response and recovery. While the primary responsibility for marine spills lies with federal agencies, a spill of any significance will impact and involve all orders of government. The provincial government has a responsibility to ensure there is a regulatory framework in place that protects its coastal resources.

5. Diluted bitumen transportation restrictions

The Province will create an independent scientific advisory panel to help address the scientific uncertainties outlined in the report of the Royal Society of Canada Expert Panel on the Behaviour and Environmental Impacts of Crude Oil Released into Aqueous Environments. The recommendations of the advisory panel will inform future regulatory development and approaches to spill response.

In order to protect B.C.'s environmental and economic interests while the advisory panel is proceeding, the Province is proposing regulatory restrictions to be placed on the increase of diluted bitumen ("dilbit") transportation.

Contact: Media Relations Ministry of Environment and Climate Change Strategy 250-953-3834 From: Yuma Morisho, Okenge PREM:EX
To: Christensen, Suzanne PREM:EX
Date: Thursday, February 1, 2018 6:52:27 PM

https://news.gov.bc.ca/releases/2018ENV0003-000115

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From: Kristianson, Eric GCPE:EX

To: Subject: CBC Panel

Date: Friday, February 2, 2018 1:08:25 PM

From: Ryckman, Scott GCPE:EX

Sent: Friday, February 2, 2018 1:07 PM To: Kristianson, Eric GCPE:EX

Subject: Re: transcripts

CBCV, 02-Feb-2018

3

Panel - bitumen battle/ICBC/Liberal leadership

By CBC On the Island

From: Kristianson, Eric GCPE:EX

To:

Subject:

Globe editorial

Friday, February 2, 2018 7:03:54 AM

Globe and Mail, Page A16, 02-Feb-2018



Stopping B.C.'s crude little war

By Editorial Copyright

Eric Kristianson ADM Strategic Issues **GCPE** 778-584-1248

From: Kristianson, Eric GCPE:EX

s.17 To:

Subject: interesting piece on proposed pipeline regs Monday, February 5, 2018 7:35:48 AM

Globe and Mail, Page A13, 05-Feb-2018

The constitutional complexity of pipelines: It's as clear as bitumen

By Jason MacLean Copyright

Eric Kristianson ADM Strategic Issues GCPE 778-584-1248 From: Heyman, George ENV:EX

To: Wright, Don J. PREM:EX; Meggs, Geoff PREM:EX

Cc: S.17 Aaron, Sage PREM:EX; Lloyd, Evan GCPE:EX

Subject: RE: Dilbit regulations - discussion with Ottawa Date: Sunday, February 4, 2018 2:27:36 PM

Would be happy to have a quick discussion tomorrow if useful

From: Wright, Don J. PREM:EX **Sent:** February 4, 2018 2:09 PM **To:** Meggs, Geoff PREM:EX

Cc: \$.17 Heyman, George ENV:EX; Aaron, Sage PREM:EX; Lloyd, Evan GCPE:EX

Subject: Re: Dilbit regulations - discussion with Ottawa

Thanks Geoff. D

Sent from my iPhone

On Feb 4, 2018, at 1:56 PM, Meggs, Geoff PREM:EX < Geoff. Meggs@gov.bc.ca > wrote:

Don, I spoke with Gerry Butts this afternoon on next steps on this file.

Key points:

- federal ministers LeBlanc, Carr and McKinnon will issue a news release tomorrow indicating they believe all our concerns are already covered off, rendering the consultation unnecessary;
- Ottawa is prepared to send officials or arrange a video conference to discuss our proposal and determine if there is any common ground to resolve their concerns about the consultation;
- the Prime Minister wishes to have this clarified in "weeks, not months."
 Clarification would acknowledge, in its simplest form, that Ottawa has the authority to approve pipelines and has done so in this case.

In conclusion, you should expect a call tomorrow to arrange that discussion. There are related context aspects I can relay to you tomorrow. Geoff

Holmwood, Jen PREM:EX

From: Frampton, Caelie ENV:EX

Sent: Thursday, February 8, 2018 3:21 PM

To: Holmwood, Jen PREM:EX

s.13

Holmwood, Jen PREM:EX

Frampton, Caelie ENV:EX From:

Sent: Thursday, February 8, 2018 3:15 PM

Holmwood, Jen PREM:EX To: Subject: FW: Spill regs package s.13

Attachments:

Page 136 to/à Page 141

Withheld pursuant to/removed as

s.13

Holmwood, Jen PREM:EX

From: Meggs, Geoff PREM:EX

Sent: Thursday, February 1, 2018 6:17 PM

To: Hannah, Matt GCPE:EX

Cc: Aaron, Sage PREM:EX; Howlett, Tim GCPE:EX; Holmwood, Jen PREM:EX; Frampton,

Caelie ENV:EX

Subject:Notley Qs and AsAttachments:Notley Qs and As.docx

Matt, I've been rooting through this – assume you folks are looking for facts on intertie sales, etc. I'm speaking to PJH at 6.45

g

GEOFF MEGGS

Chief of Staff, Office of the Premier West Annex, Parliament Buildings, 501 Belleville St, Victoria, BC V8V 2L8 (250) 356-6271

Speech, 01-Feb-2018

Draft messaging

Notley – BC pipeline opposition

By Notley – following new BC bitumen restrictions

Rachel Notley: BC isn't just taking a run at working people in Alberta and in BC. They are taking a run at the authority of the federal government and in so doing they are standing in the way of jobs that are not only well paying but are badly needed here in Alberta and throughout the country. On top of that, BC is making investors across the world question Canada.

- This is a consultation about a regulation not a constitutional crisis
- We have every right to protect our land and waters
- Court processes are under way already, but the time to test the regulations is after they are drafted, not before consultation has begun
- Alberta's reaction is over the top: we are simply consulting on ways to protect our coast.

Notley: we need the full weight, the full weight of the federal government behind all Canadians and the full weight of the federal government behind the laws of the land. In the meantime, I want everyone to know that the Government of Alberta is standing up for working people here, in the province of Alberta, and across Canada.

• The protection of BC's coastal waters is a national interest as well – it was the failure of the NEB to give due consideration to that fact that is at the heart of our court challenge.

Notley: I am sending a letter to the Premier of BC (John Horgan) to advise him that we have formally suspended all talks to do with the purchasing of electricity from BC through existing interties. These are purchases that had discussions been completed would have contributed up to 500-million dollars per year to British Columbia and they do not include any discussion of purchases related to Site C which we will have more to say about later. This is just a first step. In the coming days and weeks there may be more.

• We are not worried about sales to Alberta – we expect Site C power will contribute very positively to GHG reductions.

Notley: We are prepared to do what it takes to get this pipeline built. Whatever it takes but in the meantime and instead the federal government can intervene. They can put an end to this conflict. They can put an end to this undue delay and costly uncertainty. They can assure us an all Canadians that this federally approved project that is in the best interests of Canada and in the best economic interest of all working Canadians will be built. They can commit specifically to the tools that they will use to make sure that this happens. That's all we're asking. That they do

this and that we get on with the job of helping working people get back to work. We need to end the games. We need to end the games that are taking place at the expense of regular families. We need to start acting like a country again. Let me assure all Albertans and all Canadians that Alberta is standing up for you. Thank you.

- If the Prime Minister wants to order a court test of regulations that do not yet exist have just now been proposed for consultation that's his call
- There should be no surprise here: we've made our concerns about the pipeline very clear, during the election and since.

Reporter: Premier, what do you mean by the full weight of the federal government? What exactly do you want them to do?

Notley: Well, as a starting point we need them to assert very clearly that there is one government in the country that gets to make a decision about what goes into pipelines that cross borders and go to ports. That government is the federal government. The BC government has not ability to make regulations or anything else about what goes in those pipelines and the federal government needs to make that very clear and make it very clear to the BC government as well as to investors that under no circumstances will be the BC government be allowed to either threaten or otherwise impact what goes into pipelines.

• We know what will be in the pipeline – our focus is what could happen in the event of a spill on our land or waters.

Reporter: And how do you want them to do that? Do you want a statement from the Prime Minister? Do you want him to stand up and meeting with Horgan? How do you envision this playing out?

Notley: I envision the Prime Minister doing exactly what the Prime Minister often does which is getting up and making a very clear statement about his views and his intentions on it.

Reporter: He said that this morning. He said that this pipeline will be built. This is in the national interest.

Notley: He did do that but I think that we need more clarity. We need more clarity about their authority. We also need more clarity about the current pipeline because what BC is talking about is not just the future pipeline. It's also talking about regulating what goes into the pipeline that has been in place for over 50 years.

Reporter: So, Premier John Horgan, about an hour ago, came out and said I'm not sure what the big hubbub is in Alberta. All we're doing is looking at regulations and we're well within our right to do so, so it doesn't look like he's backing down.

Notley: That may well be true. They're well within their right to look at regulations around preventing spills, cleaning up spills, coming up with best practices to do the best job around that issue. They are not entitled to make regulations about what is in the pipeline. That is something

that is well beyond their scope of authority so I disagree. I think that frankly that they know that they don't have the ability to do that but this is about playing games and that needs to stop.

 Premier Notley is insisting on misreading our intention: we are asking whether it would be wise to limit increases in bitumen transportation until we are sure we can control spills

 that's it.

Reporter: Are they trying to go goad you into a court fight?

Notley: I don't think that that's the case. I mean we've already indicated that we're quite prepared to have fights in court. We've already been doing it. I suspect that there will be more and we'll have more to say on that in the days to come but the point here is that this kind of uncertainty is bad for investors and it's bad for working people. We have a 30-dollar a barrel differential right now and it is clearly linked to our ability to get access to markets and to get pipeline capacity. It is, enough is enough; we need to get these things built.

Reporter: On the issue of Horgan, you've talked to him on the phone yesterday, I believe. What was that like? You've spelled out your position and he spelled out his position. What was the discussion like?

Notley: Well it was not too dissimilar from what you just heard from me. I made the points that I made. I walked him through what it was that they had laid out, where we agreed with them in terms of our support for them to ensure safety at every possible place and our support for that and then I also outlined the part of what George Heyman was proposing that was problematic for us and why it was problematic for us and why we couldn't accept it and I like him know that this was not the end of it. That we could not allow that piece to stand.

Reporter: Just to follow up on that, a few weeks ago, you know, you had Jason Kenney talking about consequences to BC and you accused him of wanting to build a wall around Alberta and now he's saying that you're following his play book. It does sound like you are following his play book from a few weeks ago about getting tough with BC.

Notley: I think there would be differences. I mean the kind of things that Mr. Kenney is proposing and is in fact was proposing today was akin to cutting off your face to spite your nose. It's something that the industry doesn't want and something that would actually hurt Albertans. And so that's not what we are doing. Moreover, what we are responding to right now is a very concrete issue that developed within the last 48 hours and so we are going to respond rationally and proportionately to what we see happening and we're going to do so with tools that are actually sharp.

Reporter: Did you tell the Prime Minister that you want him to be more clear and now just making comments this morning. You want him to actually spell out that he is in charge on this. What did he say to that?

Notley: Again, as I say, what I said to the Prime Minister is that he needs to show greater and clearer leadership on this. He reassured that they are very committed to getting this pipeline

done, that he took into consideration, that he would take into consideration my points on the matter and that's where we left the conversation but I also made it very clear that I would be calling on them to turn up the dial a little bit here as far as it relates to representing not only the interests of Albertans but, quite frankly, this is not an Alberta/BC issue and I made that very clear. This is not an Alberta/BC issue. This is a Canada/BC issue.

Reporter: So you're calling for the Prime Minister to be more tough talk, be more direct with BC. If that doesn't work, I mean, you've brought out a bigger stick but we're not going to power until this gets settled. Do you want the Prime Minister to maybe look at big stick items as well. I mean tough talk, I'm not sure how far that's gonna go. He did say that stuff this morning.

Notley: Well, as I say, I mean I think it's up to the federal government to consider their options and I know that they are looking at them so I'm not going to map out their strategy. We're busily working on our own and that's what our job is to do. In the meantime, what we are doing here today with respect to this first step around the suspension of talks around the interties is something that we're doing not only on behalf of Albertans but, quite frankly, all Canadians who want to see a federation that works effectively and is able to present an economic environment that will attract the kind of investment that will promote the level of prosperity that all Canadians want to see.

Reporter: Have you been hoping to meet with the Prime Minister in person today since he's in town?

Notley: No, we were both pretty busy but I was pleased to be able to have a good conversation with him on the phone.

Reporter: How long was your conversation?

Notley: It was about half an hour.

Reporter: And you said the Prime Minister took your points. Like he listened, whatever, so do you, what's your gut feeling as to how he's going to respond?

Notley: I'm going to let the Prime Minister answer that question. You know, I think all I can do is make the case for Albertans and make the case that I believe is not just for Albertans but for all Canadians and, you know, we are obviously on the same page on this. The Prime Minister has already made it clear that this a project that is in the national interest economically and now the question is how emphatically do we ensure that it happens so that the uncertainty that is being created by the game playing on the other side of those beautiful mountains is not allowed to actually result in any kind of job losses.

Reporter: Do you have a timeline in mind as to what you want done at a certain time?

Notley: You mean with respect to the federal government?

Reporter: The federal government, we want you to actually step up to the plate.

Notley: What I would love and then you have what you want and then you see what you get but what we need to see happen is that the BC government needs to retract their assertions about their belief that they can pass regulations that limit what and how much petroleum products that are in the pipelines that are currently approved that have been frankly in place for 50 years. That needs to be retracted.

Reporter: Going back to some of the points that have been raised by Kenney in the past and more recently about turning (UNINTELLIGIBLE) the tap now and again to BC. Have you thought about that?

Notley: As I say, that's what I refer to when I talk about cutting off your face to spite your nose. That is something that it's the reverse of what people normally say because in fact it would hurt us more than it would hurt them. It's our industry. It would give the environmentalists exactly what they want and it would reduce the production and the prosperity of our industry so that's not a thing.

Reporter: I'm just wondering if the Alberta government is considering slowing down in any way the amount of oil going to the lower mainland or putting tolls on natural gas from BC coming through Alberta?

Notley: Again, with respect to products that are flowing to the lower mainland we know that what that does is that ultimately although it would probably bump up prices for consumers in the lower mainland, it would also result in pretty significant losses for companies and producers based here in Alberta and so that's not something that we're necessarily interested in doing because it would cause a lot of pain to Albertans and so what we are focused on is a variety of solutions and strategies that don't hurt Albertans as we put them in place other than, of course, the kind of negative effect that of course happens when you end up with the inability to engage in mature trade relations that we're seeing right now but nonetheless our focus is on those kinds of things that make the point in BC without asking Albertans to make big sacrifices.

Reporter: What about some of the rumblings that we're hearing from retailers and Albertans thinking about boycotting BC businesses?

Notley: That's very interesting and of course I think that there's no question that Albertans are pretty united on this issue. They're pretty united on how they see the role of this pipeline relating to their own families' stability and economic certainty and prosperity. It's pretty unprecedented the degree to which you get alignment on these issues in a province and so I'm not surprised to see that Albertans are trying to find ways that they can express their opinion about this to the Government of BC and ultimately even I suppose to British Columbians and certainly our government is looking at ways in which we might be able to provide additional tools to Albertans who would like to engage in that activity in a more wholesale way.

Reporter: Good afternoon Premier. What would you say to those people who maybe expected a little something a little tougher today in your announcement? What would you say to people who say you might not be tough enough?

Notley: Well, I would say suspending talks on a project that had the potential to deliver up to half a billion dollars a year to BC Hydro is not not tough. And, I would also say that if being tough is just about getting your elbows out without any regard for the people whose livelihood you are responsible you are responsible for than that is not the kind of tough that Albertans need. What we need is strategic actions that protect Albertans and their economic well-being while making the point to BC.

Reporter: And, just as a supplement. And, where is the talk about the court challenge and if there were a court challenge, would it just be Alberta or would it be the federal government and Alberta?

Notley: So, good question. I don't have anything to say today on the legal actions that we're considering but I will pretty soon. We are doing a very, a wholesale look at it. There's no question that there are grounds for legal action and we will be taking legal action but we want to make sure we come up with the best legal strategy possible so when we have that cued up we will be sure to let Albertans know but be rest assured we have our officials working on that very rigorously right now.

Reporter: Premier I wonder if you could clarify when you talk 500 million you mention that this doesn't include Site C, could you please explain that? Is any of that 500 million currently being paid? Are you talking about withdrawing some current payments and maybe you could explain the situation with Site C. And, I have another question after we're done here on another point here, if you don't mind.

Notley: That's a lot of questions. Basically, what we're talking about is conversations that were going with respect to enhancing the ability of BC to sell into our market through current and existing interties. So, in the past, BC has made up to, or a little over \$125 billion a year back in I think 2012 / 2013 as a result of these relationships. That amount of money has actually dropped quite significantly over the 5 years.

We had been in conversations about increasing our access to their power at certain times through existing interties and the protections from our energy officials is that overtime is that could have amounted to \$500 million a year. But, it's a range, it depends a great deal on what electricity prices are but easily, you know 200 million a year and up to 500. But, that's not something that had happened it was something that they were in discussions on, it is something that is completely separate from any discussions on Site C.

As I said earlier, we will have more to say on where we're going on Site C, I'm not ready to roll that out yet.

Reporter: Oh, OK. So, you haven't told them you're stopping the Site C talks?

Notley: We will have more to say on Site C going forward but today is just about the conversations around existing interties and existing opportunities that BC had hoped to secure in that area.

Reporter: Hi Premier. Why are you choosing this mechanism to strike back at BC and how are you confidant that this move won't hurt Alberta or raise power prices in the province?

Notley: Well, thank you. The reason primarily is because at this point our market is not dependent on access to that particular source of power. As you know, we had a remarkably successful rep just about a month ago with respect to wind energy and we're planning to move forward on more of that going forward. As well as with natural gas prices being what they are natural gas being what they are we quite able to manage our electricity needs at this time. So, we, as I said before are very much looking at things that impact BC without impacting Albertans. And as you go down the line of things you know that ratio starts to go up so obviously we have to be very, very careful on that. So that's the line of thinking that went into identifying this particular strategy and because it's a lost opportunity. It's not a thing that anybody right now is currently relying on.

Reporter: What would it take for you to resume these talks? Dropping their position entirely or what would you need to see before resuming these talks?

Notley: We are more than happy to have them respect the rule of law and carry on advocating their position as vigorously as they would like in the courts on the basis of what is commonly understood to be the law, the rules, the appropriate forums. Asserting a right to essentially drive into the federal cabinet and start rewriting federal laws just so they can spend time in court and waste time having people point out the obvious illegality of it that's not playing by the rules.

Reporter: Hi there I'm wondering if you feel abandoned by Ottawa as you take the battle forward?

Notley: I don't, sort of walk through my day with that perspective one way or other let me say I was pleased to be able to make the case to the Prime Minister today that they needed to be stronger on this and push harder on it. I was communicating to the Prime Minister that which I've heard from a number of stakeholders already who want to see the Federal Government be stronger on this, at the same time I'm also very pleased that the Prime Minister reaffirmed their commitment to ensuring that they pipeline will be built. We just want to make sure that those people who are very concerned about it, which happens to include most Albertans, can see an actual path for that to happen and that's what the Prime Minister needs to help us all out with.

Reporter: So, the fact that BC is only consulting on the regulation and isn't actually moving forward on anything as of yet does that make your position more difficult? That it's uncertain what the BC government is planning to do in this regard?

Notley: Not really because they took the unprecedented and I would suggest unwise step of laying out their belief that they can consult on regulations that they think they have to implement that would actually govern what is actually in an interprovincial pipeline and that's just not a thing that they get to do.

Reporter: Hi Premier there's a very big difference between you and the Premier and what was said today. He treated this dispute between you and BC as if it was some little

(UNINTELLIGBLE) really stupid thing like licence plates. He basically dismissed it all as just the usual provincial squabbling and didn't and they've not said a word and you're painting it in a much different light - a BC federal issue. So, I'm just wondering how you feel about that? And they haven't taken sides in any way, haven't reflected or said anything negative of what BC has done here?

Notley: I think what my view is, I'm sorry are you asking about my view on what the Premier of BC is saying or my view about what the Prime Minister has said?

Reporter: I'm talking about what the Prime Minister said in the sense that he dismissed, it was quite dismissive, I thought basically talking about as if it was just your usually interprovincial squabbling and we are here in our lofty perch here to resolve these kinds of things and didn't frame it at all as an issue that they have with BC. I'm just wondering how you feel about that it's a very big difference in attitude for sure.

Notley: I think it's fair to say Don that was how I lead off my conversation with the Prime Minister. I made it very clear that I believe that he was not appropriately characterizing the problem. That in fact it is about BC vs the federal government. That it's the equivalent of, as I said BC driving into a federal cabinet meeting and asserting its right to amend the criminal code. And, that basically it is not between BC and Alberta it is between BC and the federal government and that it was very clear shot across the bow with respect to the government of BC's belief that they have the ability to make decision about what goes into a pipeline that crosses provincial boundaries. They do not have that right. That is very clear. So that is a matter that the federal government must respond to. So the previous characterization that you described Don is one that I do take issue with and I have made that very clear to the Prime Minister.

Reporter: What has Horgan threatened to do (UNINTELLIBLE)because right now BC doesn't have a meter looking all the oil and bitumen going through. what is he physically wants to do on this?

Notley: That's a very good question because there is obviously some good discussion to be had about whether they have the ability to regulate what's in the pipelines practically speaking as you outlined but the very assertion that they would develop regulation which purport to put limit on the amount of bitumen and dilbit that can go into a pipeline is a problem. And it creates huge uncertainty, huge investor uncertainty and were it allowed to stand it would essentially mean that the country of Canada is not going to be successful in terms of exporting our oil and gas anymore. So the reality is that that's what they are purporting to do, whether they have the ability to do is another interesting question but that's certainly what the environment minister and people who need to get these things done listen to what Ministers and Premiers say. And, so that's why we have a very significant problem with it.

Reporter: You said that Premier Horgan is playing games? What do you mean by playing games?

Notley: Well, I think that they are attempting to appear as though they are finding a way to limit and to obstruct the construction of this pipeline. And, the problem is is that that is something that

that has a real impact on the jobs and the economic security of real people and it's just not something that we can tolerate.

Reporter: So he's playing games? Is the Green Party.. Tail wag.

Notley: I'm not going to engage in speculation about exactly the political stuff is.

Reporter: What about yesterday in your comments?

Notley: I just said the two of them together were opposed to the pipeline but the reality is I don't know what the intrigue is all I know is that there are real jobs and real families who are impacted by this and that there is a real law, it's called the Constitution and that is something that governs a real country that is Canada and we need to ensure that we think about the people that we are elected to represent and those are those real families who are looking for those real jobs. That's it.

Reporter: Did you speak to Kinder Morgan?

Notley: We've been having ongoing conversations with Kinder Morgan, as well as the shippers as well as a number of different stakeholders who are impacted by all this - they are concerned, they are troubled as they should be.

Holmwood, Jen PREM:EX

From: Howlett, Tim GCPE:EX

Sent: Thursday, February 1, 2018 3:50 PM

To: Holmwood, Jen PREM:EX

Subject: Fwd: KMs on Spill Regulations proposals

Tim Howlett Issues Management 250.208.4828

Begin forwarded message:

From: "Howlett, Tim GCPE:EX" < Tim.Howlett@gov.bc.ca>

Date: January 31, 2018 at 1:17:38 PM PST

To: "Frampton, Caelie ENV:EX" < Caelie.Frampton@gov.bc.ca

Subject: FW: KMs on Spill Regulations proposals

From: Howlett, Tim GCPE:EX

Sent: Wednesday, January 31, 2018 12:38 PM

To: Hannah, Matt GCPE:EX; Meggs, Geoff PREM:EX; Aaron, Sage PREM:EX; Holmwood, Jen PREM:EX

Subject: KMs on Spill Regulations proposals

The following KMs for the Premier were developed with MGH following the call.

Phase 2 Spill Regulations proposals under the Environmental Management Act

Key Messages

- Our government knows that the potential for a diluted bitumen/oil spill poses a significant risk to our environment.
- As part of a range of proposals to enhance spill preparedness and response, we announced a
 proposal to protect our waters by placing restrictions on the increase of diluted bitumen
 transportation until the behaviour of spilled bitumen can be better understood.
- We are convening an independent scientific advisory panel to make recommendations on how heavy oils can be safely transported and cleaned up if spilled.
- We are following the usual consultation process for regulatory proposals under the Environmental Management Act.
- With regard to Kinder Morgan, we have always said that we thought this project was not in BC's interests and that is why we joined the challenge in Federal Court.
- Yesterday's announcement was about a proposal to enhance protection of our environment and coastline through the Environmental Management Act

Tim Howlett Issues Manager Strategic Issues Division, GCPE 250.208.4828

Holmwood, Jen PREM:EX

From: Hannah, Matt GCPE:EX

Sent: Wednesday, February 7, 2018 3:27 PM

To: Holmwood, Jen PREM:EX

Subject: Notes

Attachments: 2018.02.07 PJH Speaking Notes_MH.docx; 2018.02.07 PJH KM Q&A.docx

Matt Hannah Director of Issues Management 778.584.1249 Page 155 to/à Page 159

Withheld pursuant to/removed as

s.13

Kinder Morgan

Speaking Notes:

- My focus every day is working for people.
- We're preparing for a session and budget that will:
 - Make life more affordable
 - Address the crisis in housing affordability
 - And take our first steps to deliver affordable, quality, accessible childcare
- No matter what our neighbours in Alberta do, making life better for British Columbians is my priority and I will not be distracted from that.

Page 161 to/à Page 164

Withheld pursuant to/removed as

s.13

Holmwood, Jen PREM:EX

From: Sherlock, Stephanie GCPE:EX

Sent: Tuesday, February 6, 2018 4:26 PM

To:Holmwood, Jen PREM:EXSubject:RE: messaging for ravi

Thank you so much!

From: Holmwood, Jen PREM:EX

Sent: Tuesday, February 6, 2018 4:25 PM

To: Sherlock, Stephanie GCPE:EX **Subject:** RE: messaging for ravi

Here is the Premier's statement and some KMs. I will send to Ravi.

s.13

From: Sherlock, Stephanie GCPE:EX **Sent:** Tuesday, February 6, 2018 4:22 PM

To: Holmwood, Jen PREM:EX **Subject:** RE: messaging for ravi

Ravi is still waiting on messaging – He is on two shows tomorrow morning

From: Holmwood, Jen PREM:EX

Sent: Tuesday, February 6, 2018 2:49 PM

To: Sherlock, Stephanie GCPE:EX

Cc: Aaron, Sage PREM:EX **Subject:** Re: messaging for ravi

Will have something for you shortly.

Jen Holmwood
Deputy Communications Director
Office of the Premier | Government of BC
250-818-4881

On Feb 6, 2018, at 2:46 PM, Sherlock, Stephanie GCPE:EX <Stephanie.Sherlock@gov.bc.ca> wrote:

SEE BELOW

From: Joshi, Shruti GCPE:EX

Sent: Tuesday, February 6, 2018 2:46 PM

To: Sherlock, Stephanie GCPE:EX **Subject:** messaging for ravi

Ravi has asked for messaging on Alberta wine situation. He is on two radios tomorrow and wants to know if they ask about Alberta BC war (Kinder Morgan) what can he say?

Shruti Prakash-Joshi Media Relations Officer Government Communications & Public Engagement Shruti.Joshi@gov.bc.ca TEL ^{\$.17}

Holmwood, Jen PREM:EX

From: Matthen, Sheila GCPE:EX

Sent: Tuesday, February 6, 2018 3:14 PM

To: Holmwood, Jen PREM:EX; Hannah, Matt GCPE:EX; Howlett, Tim GCPE:EX

Subject: FW: Heads Up:

-sm

From: McColl, John-Michael JTT:EX Sent: Tuesday, February 6, 2018 3:13 PM

To: Matthen, Sheila GCPE:EX **Subject:** Fwd: Heads Up:

Just received

Sent from my iPhone

Begin forwarded message:

From: "Anderson, Steve JTT:EX" < Steve.Anderson@gov.bc.ca

Date: February 6, 2018 at 3:04:38 PM PST

To: "Mihlar, Fazil JTT:EX" < <u>Fazil.Mihlar@gov.bc.ca</u>>

Cc: "Schollen, Tasha GCPE:EX" < Tasha. Schollen@gov.bc.ca >, "Jessee, Janna L JTT:EX"

<<u>Janna.Jessee@gov.bc.ca</u>>, "Hammond, James JTT:EX" <<u>James.Hammond@gov.bc.ca</u>>, "Sali, Meghan
JTT:EX" <<u>Meghan.Sali@gov.bc.ca</u>>, "McColl, John-Michael JTT:EX" <<u>JohnMichael.McColl@gov.bc.ca</u>>,

"Perzoff, Lara GCPE:EX" < Lara.Perzoff@gov.bc.ca>, "Stewart, Courtney GCPE:EX"

<<u>Courtney.Stewart@gov.bc.ca</u>>, "Musgrave, Robert JTT:EX" <<u>Robert.Musgrave@gov.bc.ca</u>>

Subject: RE: Heads Up:

s.13,s.16,s.17

These are our initial review and factual responses. Please do not hesitate to contact us once you get direction on tone and KMs, as we would like to provide input on trade related speaking points

Steve

From: Mihlar, Fazil JTT:EX

Sent: Tuesday, February 6, 2018 2:28 PM

To: Anderson, Steve JTT:EX

Cc: Schollen, Tasha GCPE:EX; Jessee, Janna L JTT:EX; Hammond, James JTT:EX; Sali, Meghan JTT:EX;

McColl, John-Michael JTT:EX; Perzoff, Lara GCPE:EX; Stewart, Courtney GCPE:EX

Subject: Re: Heads Up:

s.13

Please have some bullets. But MGH is the lead.

Sent from my iPhone

On Feb 6, 2018, at 2:24 PM, Anderson, Steve JTT:EX < Steve. Anderson@gov.bc.ca > wrote:

Just spoke with Jamie. We are on it and will have some bullets shortly

Notice: This email is intended only for the use of the individual or organization to whom it is addressed. It may contain information that is privileged or confidential. Any distribution, disclosure, copying, or other use by anyone else is strictly prohibited. If you have received this in error, please telephone or e-mail the sender immediately and delete the message.

On Feb 6, 2018, at 2:17 PM, Schollen, Tasha GCPE:EX < Tasha.Schollen@gov.bc.ca wrote:

s.13,s.16,s.17

From: Schollen, Tasha GCPE:EX

Sent: Tuesday, February 6, 2018 2:14 PM

To: Jessee, Janna L JTT:EX; Anderson, Steve JTT:EX; Hammond, James JTT:EX; Sali, Meghan JTT:EX; McColl, John-Michael JTT:EX; Mihlar, Fazil

JTT:EX

Cc: Perzoff, Lara GCPE:EX; Stewart, Courtney GCPE:EX

Subject: Heads Up:

Hi we have two media requests from CKNW and CFAX on this. I'm waiting to find out if this is our lead or not.

Breaking

Alberta premier announces immediate boycott on B.C. wines

'I know a lot of Albertans who love B.C. wine, quite frankly, I'm one of them'

<u>CBC News</u> Posted: Feb 06, 2018 2:52 PM MT Last Updated: Feb 06, 2018 2:52 PM MT

Alberta Premier Rachel Notley announced Tuesday her government will place an immediate boycott on B.C. wines. (CBC)

Tasha Schollen | Communications Director Ministry of Jobs, Trade and Technology Government Communications and Public Engagement

Cell: 250-889-1121

From: McConnell, Sheena PREM:EX

To: Hannah, Matt GCPE:EX; Aaron, Sage PREM:EX
Cc: Holmwood, Jen PREM:EX; Nash, Amber PREM:EX

Subject: Messaging for Premier

Date: Wednesday, February 7, 2018 9:27:40 AM

I know this morning the focus is all on wine, but there are a few additional things I would like to send home with the Premier tonight so he is prepared for his avail and interview tomorrow. Most of these are just documents that need to be forwarded to Amber:

- ICBC messaging
- Cannabis messaging
- Any messaging that frames the upcoming throne speech
- KM letter/wine ban/USW letter (he will probably already have this from today)

Can Amber have these by 4:30 today? Thanks!

Sheena McConnell, Press Secretary

Office of the Premier | Government of BC 501 Belleville St, Victoria, BC V8V 2L8 | 250-387-1688

From: Aaron, Sage PREM:EX
To: McConnell, Sheena PREM:EX

Subject: Fwd: Ltr. to The Honourable John Horgan February 6, 2018

Date: Tuesday, February 6, 2018 1:34:50 PM

Attachments: image001.jpg

ATT00001.htm

Ltr Hon John Horgan 6Feb2018.pdf

ATT00002.htm

Sage 778-678-0832 Sent from my mobile device

Begin forwarded message:

From: "Rochon, Jake PREM:EX" < Jake.Rochon@gov.bc.ca>

Date: February 6, 2018 at 1:12:25 PM PST

To: "Aaron, Sage PREM:EX" < Sage. Aaron@gov.bc.ca >, "Holmwood, Jen

PREM:EX" < Jen.Holmwood@gov.bc.ca>

Subject: FW: Ltr. to The Honourable John Horgan February 6, 2018

FYI!

From: Rochon, Jake PREM:EX

Sent: Tuesday, February 6, 2018 12:56 PM

To: Meggs, Geoff PREM:EX; Van Meer-Mass, Kate PREM:EX; Hannah, Matt GCPE:EX

Cc: Farmer, Susan PREM:EX; Brubacher, Kelly IGRS:EX

Subject: FW: Ltr. to The Honourable John Horgan February 6, 2018

Importance: High

FYI! We will wait for input before sending anything. I have not shared w/ ENV yet but I can send it to their MO if you'd like.

From: Anderson, lan [mailto:lan Anderson@kindermorgan.com]

Sent: Tuesday, February 6, 2018 12:28 PM **To:** OfficeofthePremier, Office PREM:EX

Cc: 'jim.carr@parl.gc.ca'; Mikaela McQuade; 'premier@gov.ab.ca'
Subject: Ltr. to The Honourable John Horgan February 6, 2018

Importance: High

Dear Premier, please note the attached letter.

Regards,

Ian Anderson, President



Trans Mountain Pipeline L.P.
Suite 2700, 300 – 5th Avenue SW
Calgary, AB Canada T2P 5J2
Tel: (403) 514-6400
Fax: (403) 514-6401
Toll Free: 1 (800) 535-7219
www.kindermorgan.com

February 6, 2018

The Honourable John Horgan Premier of British Columbia West Annex, Parliament Buildings Victoria, British Columbia V8V 1X4

By electronic mail: premier@gov.bc.ca

Dear Premier:

I am writing regarding the announcement of January 30, 2018 from Honourable George Heyman, Minister of Environment and Climate Change Strategy regarding the Government of British Columbia's "..... second phase of regulations to improve preparedness, response and recovery from potential spills". Although the Trans Mountain Expansion Project was not specifically mentioned, we question the intent and purpose of several measures introduced by the Minister, as well as the broader objectives of the Government of British Columbia.

We are of the view that further review, as contemplated by the Minister, beyond what has already been completed or planned, is unnecessary and is in fact in conflict with regulatory processes and protective measures that have been undertaken by the National Energy Board (NEB), the Government of Canada and the Government of British Columbia. If your review proceeds, as suggested, it should build on the extensive work undertaken by experts in the field of spill response and oil spill behavior, and it should be used to broaden understanding and learning, not as a tool to frustrate or delay our Project and investment generally in the energy sector in Canada. We understand that additional information from your government about the review will be forthcoming in the coming weeks.

The Trans Mountain Pipeline has been safely shipping crude oil and refined products in BC for 65 years. Diluted bitumen has been transported in our pipeline for 30 years. We take great pride and effort to ensure we operate safely and work with governments at all levels to ensure the legislation, regulation and policy overseeing the shipment of oil and oil products are world class. Trans Mountain, for example, was one of the first operators in North America to introduce real-time leak detection for pipelines. We were also instrumental in supporting the deployment of advanced digital navigation aids now used by BC Coast Pilots on the West Coast to enhance safety for all forms of large vessel commercial shipping.

After completing the required regulatory review process for the Trans Mountain Expansion Project, the Government of British Columbia granted its Environmental Certificate in January 2017. At the same time the Government of British Columbia also confirmed Trans Mountain has met the "Requirements for British Columbia to Consider Support for Heavy Oil Pipelines"; including world-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks of heavy oil pipelines. The satisfaction of British Columbia's Requirement 5 included that "British Columbia receives a fair share of the fiscal and economic benefits that reflects the level, degree and nature of the risk borne by the province, the environment and taxpayer" and the culmination of the commercial agreement between the Government of British Columbia and Trans Mountain. The Agreement ensures that over the 20-year term of the Agreement the Province of British Columbia will receive a minimum of \$500 million and up to one billion dollars, depending on volumes moved and the parties' performance and respect of their obligations under the Agreement. This is a financial contribution that is incremental to the jobs, royalties, taxes and other economic benefits the Project's construction and operations will create. It is money targeted and designed to enhance British Columbia's environmental stewardship and protection. This unprecedented investment by Trans Mountain in British Columbia goes directly to the very principles of environmental responsibility that we share with your government.

Over the past five years, Trans Mountain and stakeholders participated in consultation initiatives that resulted in the new provincial spill response regulations that took effect last year. Trans Mountain has worked with the Government of British Columbia under its principle to avoid duplication among regulators. We expect this to continue. For the second phase of these consultations we have supplied Ministry staff and representatives with significant information regarding response times and geographic response plans. Regarding compensation, we note that Trans Mountain has a financial assurances plan that provides for coverage of one billion dollars (growing to \$1.1 billion with the Project) for loss or damages from a spill including cleanup and remediation, and loss of non-use value of a public resource.

In July 2017 I wrote to you after you became Premier-Designate of British Columbia and had completed the Confidence and Supply Agreement between the BC Green Caucus and the BC New Democrat Caucus. That letter contained a comprehensive account of the NEB and the BC Environmental Assessment Office (BC EAO) regulatory processes that resulted in approval and associated conditions of our Expansion Project by Canada and British Columbia. I offered to meet with you at the time, to share with you further information and the invitation has, and continues to remain open.

As I have said here and elsewhere publicly, we respect your government's commitment to environmental protection and I can assure you we share that same commitment. Our commitment is evidenced by our past and current operations, and all of the activities underway resulting from the federal and provincial regulatory processes for the Project. In its report, the NEB devoted a specific chapter to the behavior of oil, including diluted bitumen and a thorough review of the extensive scientific studies, modelling and research on the subject. Diluted bitumen, its properties, transportation and cleanup of spills, has been and continues to be studied for many years by third parties in Canada and the US including the National Research Council and the Government of Canada (Environment and

Climate Change Canada, Department of Fisheries and Oceans and Natural Resources Canada). Trans Mountain collaborated with the Province of British Columbia and other stakeholders including Indigenous communities, for more than three years in the development of BC's new, world-leading land-based spill response regime that resulted in legislated changes in 2016.

Many of the areas outlined in the recent announcement by the Minister are already captured in the NEB and BC EAO certificates. For example, Condition 35 to the BC EAO addresses research on the fate and behaviour of bitumen specifically regarding the behaviour and recovery of heavy oils spilled in freshwater and marine aquatic environments, including research programs having the objective of providing spill responders with improved information on how to effectively respond to spills. All of which is being developed in consultation with the appropriate provincial and federal authorities and Indigenous communities. The research topics include physical and chemical properties of the oil and other products intended to be shipped from the Westridge Marine Terminal, product weathering, dispersion and oil/sediment interactions, product submergence, product behavior, cleanup and remediation options for sediments and shoreline.

In addition to the above, Trans Mountain is participating in efforts to further understand oil properties for the betterment of response. Current research initiatives include:

- i. An independent, science-based multi-million dollar study, was commissioned by the Canadian Energy Pipeline Association (CEPA) and the Canadian Association of Petroleum Producers (CAPP). A Science Advisory Committee comprising of federal agencies and independent spill response experts was set up to provide feedback and guidance. The study is designed to evaluate and compare the physical and chemical properties of various types of crude oil that move in North America. Over 10 types of crude oil, including several diluted bitumen products are undergoing a battery of tests to determine how fresh and weathered the oils behave in various marine, estuarine, and freshwater settings, under different environmental conditions. The study is in progress and results will be publically available at the end of 2018. We will assess the findings to identify opportunities to improve spill response strategies.
- A joint industry project including the governments of British Columbia and Alberta to independently evaluate and review current inland spill response technologies focusing on diluted bitumen. The purpose of the Inland Spill Response Joint Industry Program was to conduct a comprehensive review of the current technology that exists for in-land spill response oil recovery; apply the existing technology to four scenarios; identify suitable technologies and to identify gaps in the existing current technology. The review focused on diluted bitumen (dilbit). The study was completed in 2017. The findings have led to improvements in our Emergency Management Program and response strategies, including, however not limited to, the development of a Sunken and Submerged Oil Plan. The plan includes methods to recover sunken oil.

iii. Support of the International Institute for Sustainable Development-Experimental Lakes Area Program. This unique industry and government collaborative Program is examining the fate and behavior of diluted bitumen and conventional heavy crude oil in a freshwater shoreline environment. Baseline chemical and biological information was collected in 2017 for a natural lake study site, using an actual Canadian lake. In 2018, a controlled spill of oil will be used to quantify the efficiency of immediate product recovery and further analysis of residual oil constituents. Potential impacts will be evaluated for 16 weeks. The information from this portion of the project will be used to determine if degradation is significantly different for diluted bitumen and conventional heavy crude oil, and if wave energy has a significant effect on oil degradation rates in the freshwater shoreline environment. The program will also compare clean-up methods for the oil spilled. Another larger project will be undertaken in 2019.

Significant progress regarding Geographic Response Plans has been made as part of BC EAO Condition 33. In addition we have consulted and engaged with BC Ministry of Environment and Climate Change Strategy multiple times regarding geographic response planning, including sharing our plans. Feedback received from the Ministry was incorporated into the plan, and at the last meeting in October 2017, we received confirmation from Ministry staff on our approach to geographic response planning for the pipeline system. Consultation and input into the development of the plans, including the identification of sensitive, natural, cultural resources was conducted with local and regional governments, first responders and Indigenous communities. We are on schedule, as planned, to have them implemented by mid-2018 after final Indigenous consultation has been completed. In addition, in compliance with NEB Condition 117 there will be an update in 2018 on the enhancements already implemented in the Kinder Morgan's Emergency Management Program, and the related consultation with Indigenous communities and stakeholders.

After reviewing my letter to you of July 2017 and the substantial progress made with respect to both the federal and provincial conditions, I am struck by how many of the same issues raised in the Minister's announcement, especially those focusing on the Project and impact of bitumen based crudes (dilbit, heavy crude) along the pipeline and marine vessel routes, are already well underway. I am at a loss to understand what approach to investigation, further study, and environmental protection has not been undertaken or is not underway.

Trans Mountain has, and continues to respect all necessary and fair regulatory requirements for the Project. This Project has been deemed to be in the national interest and we are confident it can be built and operated in respect of communities and the environment.

The portion of your Minister's announcement suggesting the Province of British Columbia would consider attempting to place restrictions on diluted bitumen transportation is particularly troubling. Setting aside whether such a restriction is legal or within British Columbia's jurisdiction, we are extremely disappointed that we learned of the proposed restrictions only after the press release was issued. The implications of such a threat strike directly at the heart of our country's oil and natural gas producers, and producing provinces, energy customers in the Lower Mainland, Canada, USA and overseas, and the

men and women who earn a living supporting the energy industry in this country. As I am sure you are aware, provincial powers cannot be used to compromise the orderly development and efficient operation of interprovincial works or undertakings. The NEB recently applied this same principle to find certain City of Burnaby bylaws were constitutionally inapplicable or inoperative on the basis of unreasonable delay. To that end we have initiated a technical and legal review of whether the suggested provincial initiatives could apply lawfully to a federally regulated Project. This will of course be informed by the proposed regulations contained in the forthcoming intentions paper.

In conclusion Premier, I hope that you will consider the severity and consequence of the actions your Minister has proposed and that you will accept my offer to meet with you to discuss these and any other matters relating to the operations of our company in British Columbia. In the coming weeks, I will be meeting with shippers, investors, Indigenous communities, suppliers and contractors. Following my anticipated discussion with you, I hope to tell them that while your government's position with respect to our Project is clear, there is a predictable, reasonable and timely regulatory and permitting process in BC that will allow major, energy projects to proceed.

Yours truly,

TRANS MOUNTAIN PIPELINE ULC

an Anderson

President, Kinder Morgan Canada Limited

cc: Hon. Rachel Notley, Premier of Alberta

Hon. Jim Carr, Minister of Natural Resources

KINDER MORGAN 81432

From: McConnell, Sheena PREM:EX
To: Aaron, Sage PREM:EX

Subject: FW: media request re: trudeau and pipelines
Date: Wednesday, February 7, 2018 11:21:37 AM

Question from CP about PM involvement

From: Rabson, Mia [mailto:Mia.Rabson@thecanadianpress.com]

Sent: Wednesday, February 7, 2018 8:16 AM

To: McConnell, Sheena PREM:EX

Subject: media request re: trudeau and pipelines

Hello Sheena;

I'm working on a story about the pipeline issue today.

The Prime Minister this morning says he is working with the premiers.

I'm wondering if Premier Horgan has any concerns about how the prime minister is handling this issue, if he wants the PM to stay out of the disagreement with Alberta, or what if anything, he'd like the federal government to do at this point.

I'm asking the Alberta government to weigh in as well so wanted to make sure I give the B.C. government the same opportunity.

Thanks.

Mia

Mia Rabson

Energy/Environment Reporter The Canadian Press, Ottawa Bureau

EMAIL: mia.rabson@thecanadianpress.com

OFFICE: 613-231-8609

CELI^{S.22}

FAX: 613-238-4452 TWITTER: @mrabson www.thecanadianpress.com

THE CANADIAN PRESS

Canada's trusted news leader: The Canadian Press delivers credible, comprehensive news reporting from Canada and around the world in multiple formats, serving newspapers, broadcasters, websites, wireless carriers, magazines, government and corporate clients.

From: Hall, Sandra

To: McConnell, Sheena PREM:EX

Subject: RE: Any chance of an interview for news?

Date: Tuesday, February 6, 2018 5:15:09 PM

If you haven't seen this - it's a good read. Especially with wine. If John is available tomorrow - I would love to chat -- But I know it's difficult. Roszan may even be trying to get him for Al in the morning. Not sure. Have a good night.

Sandy

https://www.theglobeandmail.com/opinion/the-constitutional-complexity-of-pipelines-its-as-clear-as-bitumen/article37849206/?

utm_medium=Referrer:+Social+Network+/+Media&utm_campaign=Shared+Web+Article+Links

----Original Message----

From: McConnell, Sheena PREM:EX [mailto:Sheena.McConnell@gov.bc.ca]

Sent: Tuesday, February 06, 2018 4:58 PM

To: Hall, Sandra

Subject: RE: Any chance of an interview for news?

Haha I can support that!!

----Original Message----

From: Hall, Sandra [mailto:Sandra.Hall@bellmedia.ca]

Sent: Tuesday, February 6, 2018 4:58 PM To: McConnell, Sheena PREM:EX

Subject: RE: Any chance of an interview for news?

Darn! Tell him I'm going home to drink MORE BC wine! ;0)

----Original Message----

From: McConnell, Sheena PREM:EX [mailto:Sheena.McConnell@gov.bc.ca]

Sent: Tuesday, February 06, 2018 4:33 PM

To: Hall, Sandra

Subject: Re: Any chance of an interview for news?

Sorry the Premier is in back to back meetings!

On Feb 6, 2018, at 4:29 PM, Hall, Sandra <Sandra.Hall@bellmedia.ca<mailto:Sandra.Hall@bellmedia.ca>> wrote:

Sandy Hall
CFAX 1070 News
Sandra.Hall@Bellmedia.ca<mailto:Sandra.Hall@Bellmedia.ca>
250-381-6397

From: McConnell, Sheena PREM:EX

To: <u>Janet Silver</u>

Cc: Sheena.McConnell@leg.bc.ca

Subject: Re: interview request with Premier Horgan Date: Thursday, February 1, 2018 8:48:53 PM

Hi Janet, apologies for the delay \$.22

. At

the moment the Premier's schedule is packed tomorrow, but I will let you know if anything changes.

Sent from my iPhone

On Feb 1, 2018, at 7:28 PM, Janet Silver < <u>janet.silver@globalnews.ca</u>> wrote:

Sheena,

Not sure if you saw this?

Is an interview possible while he is in Vancouver tomorrow? Before 15:00 est?

Please let me know

Cheers

Janet E Silver

Sent from my iPhone

Begin forwarded message:

From: <janet.silver@globalnews.ca>

Date: February 1, 2018 at 8:44:28 PM EST **To:** <<u>Sheena.McConnell@gov.bc.ca</u>>

Subject: Re: interview request with Premier Horgan

Sheena,

I am reaching out on behalf of The West Block, the national Sunday morning program on Global TV (which now airs on Corus NewsTalk radio stations as well).

We would love to talk to Premier Horgan on the show this week re: pipelines.

Would he have some time before 15:00est for an interview? Vassy Kapelos would do this as one on one running about 7-8 minutes.

Please let me know.

Thank-you

Janet E Silver

Executive Producer, The West Block

Mobile: 8.22

Sent from my iPad

From: Meggs, Geoff PREM:EX
To: Wong, Tamarra PREM:EX

Subject: Fwd: Correspondence Report - January 30th - February 5th

Date: Tuesday, February 6, 2018 11:47:14 AM

Pls print

Sent from my iPhone

Begin forwarded message:

From: "Rochon, Jake PREM:EX" < Jake.Rochon@gov.bc.ca>

Date: February 6, 2018 at 10:36:27 AM PST

To: "Meggs, Geoff PREM:EX" < Geoff. Meggs@gov.bc.ca>

Cc: "Van Meer-Mass, Kate PREM:EX" < <u>Kate.VanMeer-Mass@gov.bc.ca</u>>, "Nash, Amber PREM:EX" < <u>Amber.Nash@gov.bc.ca</u>>, "Farmer, Susan

PREM:EX" < Susan.Farmer@gov.bc.ca >, "Oreck, Mira PREM:EX"

<<u>Mira.Oreck@gov.bc.ca</u>>, "Aaron, Sage PREM:EX" <<u>Sage.Aaron@gov.bc.ca</u>>,

"Hannah, Matt GCPE:EX" < Matt. Hannah@gov.bc.ca >, "Bain, Don PREM:EX"

<Don.Bain@gov.bc.ca>, "Kingston, Charlotte PREM:EX"

< Charlotte.Kingston@gov.bc.ca>

Subject: RE: Correspondence Report - January 30th - February 5th

Hello Geoff (and others),

I've put together a more detailed analysis on Kinder Morgan incomings. I first broke the incomings down by region:

Vancouver Island:	BC Interior:
[if !supportLists] - [endif]-</td <td>-14 in support of</td>	-14 in support of
->54 in support of restricting	restricting bitumen
bitumen	-25 against restricting
[if !supportLists] - [endif]-</td <td>bitumen</td>	bitumen
->29 against restricting	
bitumen	
Lower Mainland:	Northern BC:
[if !supportLists] - [endif]-</td <td>- One in support of</td>	- One in support of
->39 in support of restricting	restricting bitumen
bitumen	- Two against restricting
[if !supportLists] - [endif]-</td <td>bitumen</td>	bitumen
->35 against restricting	
bitumen	
[if !supportLists] - [endif]-</td <td></td>	
->	
Out of Province	Unknown:
[if !supportLists] - [endif]-</td <td>- 79 in support of restricting bitumen</td>	- 79 in support of restricting bitumen
I .	I .

->13 in support of restricting	- 140 against restricting of bitumen
bitumen (mainly Ontario)	
[if !supportLists] - [endif]-</td <td></td>	
->13 against restricting of	
bitumen (mainly Prairies)	

Interesting things to notice about the breakdown is how many people don't sign off their city when they are 'against' the government decision. We don't generally see a lot of incoming from Northern BC but only having three write in is a bit sparse.

Stakeholders and write in campaigns:

s.22

Currently the only major stakeholder to chime in is Premier Notley, but I anticipate hearing from major unions in the coming days or weeks.

Reasoning for Writing:

Many of the writers in the 'support' camp are saying they support any efforts to preserve our coast, taking an environmental angle. Some are also taking this opportunity to advocate for renewable/green energy resources. Many are also taking this opportunity to make another nudge against Site C.

Example in support of government:

"Thank you for standing up for the environment and the residents of BC in regards to the Kinder Morgan Pipeline. As we have seen from previous times when there is an oil spill it takes decades to clean up. I understand the economy matters, but this is short term false economy. When the land and water is destroyed, so is a healthy environment. People can't live without food or air, but they can manage without fossil fuels."

Those who are 'against' the government decision are worried that this will not only negatively affect the economy locally, but across the entire country. Many are saying we should 'fall in line' or something similar. Worries around the 'energy market' is very prevalent.

Example against government's decision:

"[Recently] I have been learning & improving my knowledge of the Canadian stock market. I think your decision to block the kinder Morgan pipeline is going to harm our country and the people of B.C. The Canadian economy is highly dependent on energy & pipelines, and will be for some time. We no longer have a significant industrial base. \$.22

industry has been close to eradication in recent years. While we work to develop alternative industries & sources of energy we need to get our energy to market. You need to calm the clamouring voices which are demanding action on the

environment. You need to explain to those who will listen that there should be a balance between a good economy & a healthy environment. "

If I can add anything else, don't hesitate to ask!

From: Meggs, Geoff PREM:EX

Sent: Monday, February 5, 2018 4:03 PM

To: Rochon, Jake PREM:EX

Cc: Van Meer-Mass, Kate PREM:EX; Nash, Amber PREM:EX; Farmer, Susan PREM:EX; Oreck, Mira PREM:EX; Aaron, Sage PREM:EX; Hannah, Matt GCPE:EX; Bain, Don PREM:EX; Kingston, Charlotte PREM:EX

Subject: Re: Correspondence Report - January 30th - February 5th

Jake, I'd like more fine-grained analysis of the KM materials — who supports/against and key arguments. Nothing huge — how much just more detail.

Geoff

Sent from my iPad

On Feb 5, 2018, at 2:11 PM, Rochon, Jake PREM:EX < <u>Jake.Rochon@gov.bc.ca</u>> wrote:

January 30th - February 5th

Topic:	Support	Against/Want	Total
		PGOV to	received
Kinder Morgan	200	244 444	
ICBC	0	44	44
Rates/Finances			
Deep Snow	0	11	11
Caribou			
Foreign	0	10	10
Investment			
Site C	0	50	50
Total Weekly Mail			Approx.
			369 (excl.
			topics
			logged in
			batches)

- <!--[if !supportLists]-->-<!--[endif]-->Many people commenting on the proposed bitumen regulations. I've noticed quite a few people from the prairies chiming in 'against' the government's decision.
- <!--[if !supportLists]-->-<!--[endif]-->ICBC is a common topic of frustration for writers, and news of the corporation's financial state has

spurred increased volume.

- <!--[if !supportLists]-->-<!--[endif]-->Deep Snow
 Caribou stocks are becoming alarmingly low
 and some are calling for new regulations to
 help bolster their numbers.
- <!--[if !supportLists]-->-<!--[endif]-->Foreign investment and Site C continue to be mainstay topics.

As always, I am available for any clarification. Have a great week!

Jake Rochon

Correspondence Coordinator Office of the Premier (250) 356-1906 From: Wensink, Alison PREM:EX

To: Bain, Don PREM:EX; Cavanagh, Judy PREM:EX; Kingston, Charlotte PREM:EX; Loubert, Danny PREM:EX; Oreck,

Mira PREM:EX; Szabo, Maria PREM:EX; Tello, Romeo PREM:EX; LP PO Executive Office; LP PO Deputy Minister:

Della Mattia, Marie PREM:EX

Cc: Hendry, Jackie PREM:EX

Subject: Potential Fee Estimate Due ASAP: Call for Records OOP-2018-80475 Records

Date: Wednesday, February 14, 2018 5:10:15 PM

Importance: High

Hi All.

Further to this, it appears that Office of the Premier may be looking at fees for this request. **Please** provide as soon as possible, an estimate regarding the amount of search time it will take and an approximate number of records you will have.

Please do not do a full search or provide records at this point.

Thank you so much,

Alison

From: Wensink, Alison PREM:EX

Sent: Wednesday, February 14, 2018 4:56 PM

To: Bain, Don PREM:EX; Cavanagh, Judy PREM:EX; Kingston, Charlotte PREM:EX; Loubert, Danny

PREM:EX; Oreck, Mira PREM:EX; Szabo, Maria PREM:EX; Tello, Romeo PREM:EX; LP PO Executive Office;

LP PO Deputy Minister; Della Mattia, Marie PREM:EX

Subject: Call for Records OOP-2018-80475 Records Due February 23, 2018

Hello,

This is an ALL STAFF Call for Records.

<u>UPDATE</u>: It is no longer necessary to send records as a PDF. Please send records in whatever way is most convenient.

Please let me know by February 23rd whether or not you have any records responsive to the following request:

Copies of any documents (excluding cabinet-related records) including e-mails, text or instant messages, in the Premier's office, that reference the Kinder Morgan TransMountain Pipeline. (Date Range for Record Search: From 08/03/2017 To 01/26/2018) Date Format is MM/DD/YYYY

Please note: Public correspondence and TNO records can be excluded

If you think that the search for records will take you over 1 hour and/or the total volume of records will exceed 100 pages, please let me know as soon as possible.

Thank you all for your assistance with this request! If you have any questions please don't hesitate to contact me.

Alison Wensink, Executive Administrative Coordinator

Deputy Minister's Office | Office of the Premier Room 272 - West Annex, Parliament Buildings

Victoria BC V8W 9E1 Phone: (250) 387-2987 From: Manuel Alvernaz
To: Wong, Tamarra PREM:EX

Cc: <u>Manuel Alvernaz</u>

Subject: Spoke today re: Eagle Spirit Energy Pipeline Date: Tuesday, February 20, 2018 4:31:16 PM

Attachments: <u>image001.jpg</u>

image002.jpg image003.png

ESE presentation - January 29, 2018.pptx

Good Afternoon Geoff,

It was a pleasure meeting you today.

As per our conversation see the attached presentation concerning the Eagle Spirit Energy Pipeline.

You can contact me via email or my cell at "...

Thank you,



CONSTRUCTION AND SPECIALIZED

WORKERS' UNION

Manuel Alvernaz

Business Manager/Secretary-Treasurer

#200, 19092 – 26th Avenue Surrey, BC V3Z 3V7

t. 604.541.1611 f. 604.538.0252

Cope 378





From: Calvin Helin \$.22

Sent: February-19-18 2:58 PM

To: Manuel Alvernaz **Subject:** Follow Up

Hi Manuel,

It was a pleasure meeting you today. Please find the powerpoint presentation as promised. If you require any further information please feel free to contact me.

Calvin



Virus-free. www.avast.com

Page 188 to/à Page 199

Withheld pursuant to/removed as

s.21

From: Wensink, Alison PREM:EX
To: Brubacher, Kelly IGRS:EX

Subject: FW: Invitation to Bruce Anderson Event March 8

Date: Thursday, March 1, 2018 4:04:56 PM

Attachments: image001.jpg

image003.jpg

Hi Kelly – Okenge will not be attending but forwarding to you if Pierrette is interested.

Thanks!

Alison

From: Cameron, Tara D ENV:EX Sent: Thursday, March 1, 2018 2:20 PM

To: BCPSA Agency DMC Admin & Operational Support Subject: FW: Invitation to Bruce Anderson Event March 8

Good afternoon, just a reminder of this event coming up next week. Please extend the invitation to any the Associate DMs, ADMs or Executive Leads in your ministry as well.

Thank you, Tara

From: Cameron, Tara D ENV:EX On Behalf Of Plecas, Bobbi ENV:EX

Sent: Friday, February 16, 2018 2:18 PM

To: Baskerville, Shannon AEST:EX; Bond, Allison MCF:EX; Brown, Stephen R HLTH:EX; Carroll, Sandra TAC:EX; Caul, Doug D IRR:EX; Christensen, Suzanne PREM:EX; Dawes, Jacquie MAH:EX; Denlinger, Becky EMBC:EX; Fyfe, Richard J JAG:EX; Galbraith, David J FIN:EX; Halls, Lori D PSA:EX; Hughes, Doug J MMHA:EX; Hughes, Trevor LBR:EX; Kennedy, Christine PREM:EX; Kot, Jill CITZ:EX; Lloyd, Evan GCPE:EX; MacDonald, Scott D EDUC:EX; MacMillan, Elizabeth PREM:EX; Main, Grant TRAN:EX; Mihlar, Fazil JTT:EX; Nikolejsin, Dave MNGD:EX; Plecas, Bobbi ENV:EX; Sheldan, Tim FLNR:EX; Shoemaker, Wes AGRI:EX; Sieben, Mark PSSG:EX; Taylor, Sheila A SDPR:EX; Wanamaker, Lori FIN:EX; Wright, Don J. PREM:EX; Yuma Morisho, Okenge PREM:EX; Zacharias, Mark ENV:EX; Zacharuk, Christina PSEC:EX

Cc: BCPSA Agency DMC Admin & Operational Support Subject: Invitation to Bruce Anderson Event March 8

Good afternoon Colleagues,

Dave Nikolejsin and I are pleased to invite you to an exciting event happening on Thursday, March 8 from 2:00-3:30 pm. Bruce Anderson, Chairman of Abacus Data, will give a briefing on where Canadians opinions are at regarding energy and climate issues, and how quickly their opinions have shifted in the last 18 months. This presentation will include a special look at how these insights apply to British Columbia, informed by fresh survey results. Bruce is also confirmed to present to members of the Legislature that morning. Bruce's biography is below.

BRUCE ANDERSON, ABACUS DATA — Insights on the evolution of Canadians' views on oil, pipelines, climate and change

Bruce Anderson, Chairman of Abacus Data, is one of Canada's most respected pollsters and communications counselors.

Bruce has served as a pollster and/or strategic advisor to political leaders in the Liberal and Progressive Conservative parties. He has worked extensively with many major corporations and organizations including Shaw Communications, TELUS, BCE, Enbridge, Imperial Oil, BP, Cenovus, RBC, CIBC, Teck, BC Hydro, the Canadian Association of Petroleum Producers, the Canadian Energy Pipeline Association, the Mining Association of Canada, CropLife, the Forest Products Association of Canada, and the Canadian Bankers Association.

He is one of Canada's leading commentators on public opinion and political affairs, a former regular member of the CBC's popular At Issue Panel and writes online columns for the Globe and Mail.

This event is hosted by Teck Resources, Innergex Renewables & Clean Energy Canada, and will be held at \$.15

Participation at this event is available for in person

attendance only and alternates at the Associate DM, ADM or Executive Lead levels are permitted. Please let Tara Cameron (Tara.Cameron@gov.bc.ca) know if you are able to attend. Thank you,
Bobbi Plecas and Dave Nikolejsin

From: Hannah, Matt GCPE:EX

To: Meggs, Geoff PREM:EX; Aaron, Sage PREM:EX; Howlett, Tim GCPE:EX; Holmwood, Jen PREM:EX

Subject: Fwd: Anita - Surrey Board of Trade Media Release - heads up

Date: Monday, February 5, 2018 7:56:27 AM

Attachments: Pipeline Media Release.doc

ATT00001.htm

FYI

Matt Hannah 778.584.1249

Begin forwarded message:

From: Anita Huberman < anita@businessinsurrey.ca>

Date: February 4, 2018 at 9:57:38 PM PST

To: "Hannah, Matt GCPE:EX" < Matt. Hannah@gov.bc.ca>

Subject: Anita - Surrey Board of Trade Media Release - heads up

Matt, just a heads up on a media release going out tomorrow morning.

Surrey Board of Trade

H. CAPTAIN (ROYAL CANADIAN NAVY) ANITA PATIL HUBERMAN

CHIEF EXECUTIVE OFFICER

101 - 14439 104 Avenue, Surrey BC Canada, V3R 1M1 P | 604.634.0342 O | 604.581.7130 C | 604.340.3899 E | anita@businessinsurrey.com FOR IMMEDIATE RELEASE: February 2, 2018

Surrey Board of Trade Says Pipeline Politics Needs to Stop

Copyright

From: Meggs, Geoff PREM:EX

To: \$.17

Subject: Fwd: KM Materials

Date: Wednesday, January 31, 2018 11:55:07 AM

Attachments: KM News Release.docx

ATT00001.htm KM Backgrounder.docx ATT00002.htm

Sent from my iPhone

Begin forwarded message:

From: "Hannah, Matt GCPE:EX" < Matt. Hannah@gov.bc.ca>

Date: January 31, 2018 at 11:10:43 AM PST

To: "Meggs, Geoff PREM:EX" < Geoff. Meggs@gov.bc.ca>

Cc: "Wong, Tamarra PREM:EX" < Tamarra. Wong@gov.bc.ca >, "Aaron, Sage

PREM:EX" < Sage. Aaron@gov.bc.ca>

Subject: KM Materials

Attached:

News Release

Backgrounder (posted along with the news release)

Online link to both: https://news.gov.bc.ca/releases/2018ENV0003-000115

Matt Hannah

Director of Issues Management

778.584.1249

Proposed regulations under the Environmental Management Act

The following are proposed regulations under the Environmental Management Act (EMA) to improve liquid petroleum spill response and recovery:

1. Response times

Response times are the established timeframes within which response resources will be activated and arrive at a spill site. Currently, the Ministry of Environment and Climate Change Strategy does not regulate in this area. Establishing response-time requirements would align with practices of other regulators, and those in neighbouring jurisdictions.

2. Geographic response plans

Geographic response plans (GRPs) identify sensitive, natural, cultural, or significant economic resources at risk from spills. They outline the response actions that are appropriate for that site to minimize impacts to these resources, should a spill occur. GRPs are map-based, and each one has a variety of information that is useful to responders, particularly in the first 48 to 72 hours of a response.

3. Loss of public use

Loss of public use refers to the requirement that spillers provide some form of restitution for the impacts of spills on the use and/or enjoyment of public spaces and resources. These include the use of beaches, parks and forests, the enjoyment of wildlife, wilderness spaces, food resources, recreation and drinking water, as well as the intrinsic value of archaeological and cultural sites.

4. Marine application

The Province seeks to broaden existing ministry authority to ensure provincial interests are fully addressed in marine spill prevention, preparedness, response and recovery. While the primary responsibility for marine spills lies with federal agencies, a spill of any significance will impact and involve all orders of government. The provincial government has a responsibility to ensure there is a regulatory framework in place that protects its coastal resources.

5. Diluted bitumen transportation restrictions

The Province will create an independent scientific advisory panel to help address the scientific uncertainties outlined in the report, The Royal Society of Canada Expert Panel: The Behaviour and Environmental Impacts of Crude Oil Released into Aqueous Environments. The recommendations of the advisory panel will inform future regulatory development and approaches to spill response.

In order to protect B.C.'s environmental and economic interests while the advisory panel is proceeding, the Province is proposing regulatory restrictions to be placed on the increase of diluted bitumen ("dilbit") transportation.

Additional measures being developed to protect B.C.'s environment from spills

The provincial government is proposing a second phase of regulations to improve preparedness, response and recovery from potential spills.

The first phase of the regulations, approved in October 2017, established a standard of preparedness, response and recovery necessary to protect B.C.'s environment. With some exceptions for B.C. oil and gas regulated entities, the Phase-1 regulations apply to pipelines transporting any quantity of liquid petroleum products, and rail or trucking operations transporting over 10,000 litres of liquid petroleum products.

For the second phase, the Province will be looking for feedback in five areas:

- Response times, to ensure timely responses following a spill;
- Geographic response plans, to ensure resources are available to support an immediate response, that take into account unique characteristics of a given sensitive area;
- Compensation for loss of public and cultural use of land, resources or public amenities in the case of spills;
- · Maximizing application of regulations to marine spills; and
- Restrictions on the increase of diluted bitumen ("dilbit") transportation until the behaviour of spilled bitumen can be better understood and there is certainty regarding the ability to adequately mitigate spills.

"The people of B.C. need to know that there is effective spill management across the province and, in particular, for our most environmentally sensitive areas, including coastlines," said George Heyman, Minister of Environment and Climate Change Strategy. "We believe spills should not happen. But if hazardous pollutants have potential to spill, our government will ensure that spillers must be prepared and able to fully mitigate the environmental damage before they proceed."

An independent scientific advisory panel will be established to make recommendations to the Minister of Environment and Climate Change Strategy on if and how heavy oils can be safely transported and cleaned up, if spilled.

"The potential for a diluted bitumen spill already poses significant risk to our inland and coastal environment and the thousands of existing tourism and marine harvesting jobs," Heyman said. "British Columbians rightfully expect their government to defend B.C.'s coastline and our inland waterways, and the economic and environmental interests that are so important to the people in our province, and we are working hard to do just that."

The process to receive feedback on the proposed regulations will feature engagement with First Nations, to begin as soon as possible. To ensure the views of the broad range of stakeholders are heard, government will meet with industry, local governments and environmental groups over the coming weeks and months.

As well, the general public will be able to provide input online through written comments, once an intentions paper is released. The intentions paper will provide an overview of the proposed regulations, and is expected to be posted before the end of February 2018.

A backgrounder follows.

From: Reder, Mark

To: Meggs, Geoff PREM:EX
Subject: Letter to the Premier

Date: Tuesday, February 6, 2018 2:20:46 PM
Attachments: Ltr Hon John Horgan 6Feb2018.pdf

Geoff:

We spoke yesterday. This letter was transmitted about an hour ago to premeire@gov.bc.ca. I would be pleased to discuss it further with you. The letter has been copied to the Premier of Alberta, and the Federal Minister of Natural Resources. Ian Anderson will meet with shippers later this week and will share the letter with them. Mr. Anderson has also been receiving calls from the news media. If asked about BC's recent announcement with respect to study and regulation of heavy oil, he will indicate that he has written to the Premier to express his views. Having said that, there is no plan to circulate the letter to the media.

Regards,

Mark

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www.kindermorgan.com

February 6, 2018

The Honourable John Horgan Premier of British Columbia West Annex, Parliament Buildings Victoria, British Columbia V8V 1X4

By electronic mail: premier@gov.bc.ca

Dear Premier:

I am writing regarding the announcement of January 30, 2018 from Honourable George Heyman, Minister of Environment and Climate Change Strategy regarding the Government of British Columbia's "..... second phase of regulations to improve preparedness, response and recovery from potential spills". Although the Trans Mountain Expansion Project was not specifically mentioned, we question the intent and purpose of several measures introduced by the Minister, as well as the broader objectives of the Government of British Columbia.

We are of the view that further review, as contemplated by the Minister, beyond what has already been completed or planned, is unnecessary and is in fact in conflict with regulatory processes and protective measures that have been undertaken by the National Energy Board (NEB), the Government of Canada and the Government of British Columbia. If your review proceeds, as suggested, it should build on the extensive work undertaken by experts in the field of spill response and oil spill behavior, and it should be used to broaden understanding and learning, not as a tool to frustrate or delay our Project and investment generally in the energy sector in Canada. We understand that additional information from your government about the review will be forthcoming in the coming weeks.

The Trans Mountain Pipeline has been safely shipping crude oil and refined products in BC for 65 years. Diluted bitumen has been transported in our pipeline for 30 years. We take great pride and effort to ensure we operate safely and work with governments at all levels to ensure the legislation, regulation and policy overseeing the shipment of oil and oil products are world class. Trans Mountain, for example, was one of the first operators in North America to introduce real-time leak detection for pipelines. We were also instrumental in supporting the deployment of advanced digital navigation aids now used by BC Coast Pilots on the West Coast to enhance safety for all forms of large vessel commercial shipping.

After completing the required regulatory review process for the Trans Mountain Expansion Project, the Government of British Columbia granted its Environmental Certificate in January 2017. At the same time the Government of British Columbia also confirmed Trans Mountain has met the "Requirements for British Columbia to Consider Support for Heavy Oil Pipelines"; including world-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks of heavy oil pipelines. The satisfaction of British Columbia's Requirement 5 included that "British Columbia receives a fair share of the fiscal and economic benefits that reflects the level, degree and nature of the risk borne by the province, the environment and taxpayer" and the culmination of the commercial agreement between the Government of British Columbia and Trans Mountain. The Agreement ensures that over the 20-year term of the Agreement the Province of British Columbia will receive a minimum of \$500 million and up to one billion dollars, depending on volumes moved and the parties' performance and respect of their obligations under the Agreement. This is a financial contribution that is incremental to the jobs, royalties, taxes and other economic benefits the Project's construction and operations will create. It is money targeted and designed to enhance British Columbia's environmental stewardship and protection. This unprecedented investment by Trans Mountain in British Columbia goes directly to the very principles of environmental responsibility that we share with your government.

Over the past five years, Trans Mountain and stakeholders participated in consultation initiatives that resulted in the new provincial spill response regulations that took effect last year. Trans Mountain has worked with the Government of British Columbia under its principle to avoid duplication among regulators. We expect this to continue. For the second phase of these consultations we have supplied Ministry staff and representatives with significant information regarding response times and geographic response plans. Regarding compensation, we note that Trans Mountain has a financial assurances plan that provides for coverage of one billion dollars (growing to \$1.1 billion with the Project) for loss or damages from a spill including cleanup and remediation, and loss of non-use value of a public resource.

In July 2017 I wrote to you after you became Premier-Designate of British Columbia and had completed the Confidence and Supply Agreement between the BC Green Caucus and the BC New Democrat Caucus. That letter contained a comprehensive account of the NEB and the BC Environmental Assessment Office (BC EAO) regulatory processes that resulted in approval and associated conditions of our Expansion Project by Canada and British Columbia. I offered to meet with you at the time, to share with you further information and the invitation has, and continues to remain open.

As I have said here and elsewhere publicly, we respect your government's commitment to environmental protection and I can assure you we share that same commitment. Our commitment is evidenced by our past and current operations, and all of the activities underway resulting from the federal and provincial regulatory processes for the Project. In its report, the NEB devoted a specific chapter to the behavior of oil, including diluted bitumen and a thorough review of the extensive scientific studies, modelling and research on the subject. Diluted bitumen, its properties, transportation and cleanup of spills, has been and continues to be studied for many years by third parties in Canada and the US including the National Research Council and the Government of Canada (Environment and

Climate Change Canada, Department of Fisheries and Oceans and Natural Resources Canada). Trans Mountain collaborated with the Province of British Columbia and other stakeholders including Indigenous communities, for more than three years in the development of BC's new, world-leading land-based spill response regime that resulted in legislated changes in 2016.

Many of the areas outlined in the recent announcement by the Minister are already captured in the NEB and BC EAO certificates. For example, Condition 35 to the BC EAO addresses research on the fate and behaviour of bitumen specifically regarding the behaviour and recovery of heavy oils spilled in freshwater and marine aquatic environments, including research programs having the objective of providing spill responders with improved information on how to effectively respond to spills. All of which is being developed in consultation with the appropriate provincial and federal authorities and Indigenous communities. The research topics include physical and chemical properties of the oil and other products intended to be shipped from the Westridge Marine Terminal, product weathering, dispersion and oil/sediment interactions, product submergence, product behavior, cleanup and remediation options for sediments and shoreline.

In addition to the above, Trans Mountain is participating in efforts to further understand oil properties for the betterment of response. Current research initiatives include:

- i. An independent, science-based multi-million dollar study, was commissioned by the Canadian Energy Pipeline Association (CEPA) and the Canadian Association of Petroleum Producers (CAPP). A Science Advisory Committee comprising of federal agencies and independent spill response experts was set up to provide feedback and guidance. The study is designed to evaluate and compare the physical and chemical properties of various types of crude oil that move in North America. Over 10 types of crude oil, including several diluted bitumen products are undergoing a battery of tests to determine how fresh and weathered the oils behave in various marine, estuarine, and freshwater settings, under different environmental conditions. The study is in progress and results will be publically available at the end of 2018. We will assess the findings to identify opportunities to improve spill response strategies.
- A joint industry project including the governments of British Columbia and Alberta to independently evaluate and review current inland spill response technologies focusing on diluted bitumen. The purpose of the Inland Spill Response Joint Industry Program was to conduct a comprehensive review of the current technology that exists for in-land spill response oil recovery; apply the existing technology to four scenarios; identify suitable technologies and to identify gaps in the existing current technology. The review focused on diluted bitumen (dilbit). The study was completed in 2017. The findings have led to improvements in our Emergency Management Program and response strategies, including, however not limited to, the development of a Sunken and Submerged Oil Plan. The plan includes methods to recover sunken oil.

iii. Support of the International Institute for Sustainable Development-Experimental Lakes Area Program. This unique industry and government collaborative Program is examining the fate and behavior of diluted bitumen and conventional heavy crude oil in a freshwater shoreline environment. Baseline chemical and biological information was collected in 2017 for a natural lake study site, using an actual Canadian lake. In 2018, a controlled spill of oil will be used to quantify the efficiency of immediate product recovery and further analysis of residual oil constituents. Potential impacts will be evaluated for 16 weeks. The information from this portion of the project will be used to determine if degradation is significantly different for diluted bitumen and conventional heavy crude oil, and if wave energy has a significant effect on oil degradation rates in the freshwater shoreline environment. The program will also compare clean-up methods for the oil spilled. Another larger project will be undertaken in 2019.

Significant progress regarding Geographic Response Plans has been made as part of BC EAO Condition 33. In addition we have consulted and engaged with BC Ministry of Environment and Climate Change Strategy multiple times regarding geographic response planning, including sharing our plans. Feedback received from the Ministry was incorporated into the plan, and at the last meeting in October 2017, we received confirmation from Ministry staff on our approach to geographic response planning for the pipeline system. Consultation and input into the development of the plans, including the identification of sensitive, natural, cultural resources was conducted with local and regional governments, first responders and Indigenous communities. We are on schedule, as planned, to have them implemented by mid-2018 after final Indigenous consultation has been completed. In addition, in compliance with NEB Condition 117 there will be an update in 2018 on the enhancements already implemented in the Kinder Morgan's Emergency Management Program, and the related consultation with Indigenous communities and stakeholders.

After reviewing my letter to you of July 2017 and the substantial progress made with respect to both the federal and provincial conditions, I am struck by how many of the same issues raised in the Minister's announcement, especially those focusing on the Project and impact of bitumen based crudes (dilbit, heavy crude) along the pipeline and marine vessel routes, are already well underway. I am at a loss to understand what approach to investigation, further study, and environmental protection has not been undertaken or is not underway.

Trans Mountain has, and continues to respect all necessary and fair regulatory requirements for the Project. This Project has been deemed to be in the national interest and we are confident it can be built and operated in respect of communities and the environment.

The portion of your Minister's announcement suggesting the Province of British Columbia would consider attempting to place restrictions on diluted bitumen transportation is particularly troubling. Setting aside whether such a restriction is legal or within British Columbia's jurisdiction, we are extremely disappointed that we learned of the proposed restrictions only after the press release was issued. The implications of such a threat strike directly at the heart of our country's oil and natural gas producers, and producing provinces, energy customers in the Lower Mainland, Canada, USA and overseas, and the

men and women who earn a living supporting the energy industry in this country. As I am sure you are aware, provincial powers cannot be used to compromise the orderly development and efficient operation of interprovincial works or undertakings. The NEB recently applied this same principle to find certain City of Burnaby bylaws were constitutionally inapplicable or inoperative on the basis of unreasonable delay. To that end we have initiated a technical and legal review of whether the suggested provincial initiatives could apply lawfully to a federally regulated Project. This will of course be informed by the proposed regulations contained in the forthcoming intentions paper.

In conclusion Premier, I hope that you will consider the severity and consequence of the actions your Minister has proposed and that you will accept my offer to meet with you to discuss these and any other matters relating to the operations of our company in British Columbia. In the coming weeks, I will be meeting with shippers, investors, Indigenous communities, suppliers and contractors. Following my anticipated discussion with you, I hope to tell them that while your government's position with respect to our Project is clear, there is a predictable, reasonable and timely regulatory and permitting process in BC that will allow major, energy projects to proceed.

Yours truly,

TRANS MOUNTAIN PIPELINE ULC

an Anderson

President, Kinder Morgan Canada Limited

cc: Hon. Rachel Notley, Premier of Alberta

Hon. Jim Carr, Minister of Natural Resources

From: Hannah, Matt GCPE:EX

To: Meggs, Geoff PREM:EX; Aaron, Sage PREM:EX; Lloyd, Evan GCPE:EX

Subject: Updated Q&As

Date: Wednesday, February 7, 2018 1:05:30 PM

Attachments: 2018.02.07 PIH KM Q&A.docx

Matt Hannah

Director of Issues Management

778.584.1249

Page 215 to/à Page 219

Withheld pursuant to/removed as

s.13

From: Aaron, Sage PREM:EX To: Meggs, Geoff PREM:EX

Subject: FW: The pipeline war no politician will win - Gary Mason - Globe and Mail

Date: Thursday, February 8, 2018 9:01:11 AM

Mason from last week

Sage

778-678-0832

From: tno@gov.bc.ca [mailto:tno@gov.bc.ca]

Sent: Friday, February 2, 2018 4:05 AM Subject: TNO: The pipeline war no politician will win - Gary Mason - Globe and Mail

The pipeline war no politician will win

Globe and Mail 02-Feb-2018 Page A17 By Gary Mason

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From: Oreck, Mira PREM:EX

To: Meggs, Geoff PREM:EX; Aaron, Sage PREM:EX; Holmwood, Jen PREM:EX; Bain, Don PREM:EX; Dewar, Bob

PREM:EX; Hannah, Matt GCPE:EX; Moran, Roseanne LASS:EX

Subject: Clean Energy Canada lunch with Bruce Anderson
Date: Monday, February 12, 2018 2:05:52 PM
Attachments: INVITE Bruce Anderson Lunch 20180207.pdf

Hi, all -

Please see the attached invitation from Clean Energy Canada. They are hosting Bruce Anderson for a lunch for caucus members on March 8^{th} to review a recent poll about British Columbians perspectives on climate, oil and pipelines. They will be presenting it to BCBC as well. Dan Woynillowicz requested I pass this on to all of you.

Best,

Mira



You're invited. March 8, 2018

Bruce Anderson, Abacus Data

LUNCHEON BRIEFING AT THE S.15

// NOON - 1:00PM

Sharing insights on the evolution of Canadians' Attitudes on Oil, Pipelines, Climate, and Change



Bruce Anderson, Chairman of Abacus Data, is one of Canada's most respected pollsters and communications counselors. In this Victoria briefing Bruce will explore where Canadians opinions are at on energy and climate issues, and how quickly their opinions have shifted in the last 18 months. This presentation will also include a special look at how these insights apply to British Columbia, informed by fresh survey results.

Bruce has served as a pollster and/or strategic advisor to political leaders in the Liberal and Progressive Conservative parties. He has worked extensively with many major corporations and organizations including Shaw Communications, TELUS, BCE, Enbridge, Imperial Oil, BP, Cenovus, RBC, CIBC, Teck, BC Hydro, the Canadian Association of Petroleum Producers, the Canadian Energy Pipeline Association, the Mining Association of Canada, CropLife, the Forest Products Association of Canada, and the Canadian Bankers Association.

He is one of Canada's leading commentators on public opinion and political affairs, a former regular member of the CBC's popular At Issue Panel and writes online columns for the Globe and Mail.

The event will be hosted by:

Marcia Smith, Senior Vice President of Sustainability and External Affairs, Teck Resources Limited

Marcia Smith is the Senior Vice President, Sustainability and External Affairs with Teck Resources. Under her guidance in the areas of health and safety, sustainability, environment, communities, government relations, corporate affairs and relationships with Indigenous Peoples, Teck has been named to the Global 100 Most Sustainable Corporations, as well as the Dow Jones Sustainability World Index and FTSE4Good Global Index. Marcia is currently a representative for Teck on the International Council on Mining and Metals and is Chair of the Business Council of British Columbia. Marcia serves on the board

and executive council of the Mining Association of Canada and is active on the Council for Clean Capitalism.

Merran Smith, Executive Director, Clean Energy Canada, Morris J. Wosk Centre for Dialogue at Simon Fraser University

Merran Smith is a fellow at Simon Fraser University and the founder of Clean Energy Canada, a leading think tank advancing clean growth and climate solutions. She works with industry, government, and civil society influencers to solve pressing social and ecological challenges. Her leadership in the landmark Great Bear Rainforest conservation agreement helped ensure the protection of thousands of kilometres of coastal ecosystem. Merran is a Canadian representative on the International Clean Energy Ambassador Corps and is the recipient of numerous distinctions, including the 2016 Wendy McDonald 'Community Catalyst' award from the Vancouver Board of Trade and the 'Clean 16' award in 2014 for leadership in clean capitalism.

Colleen Giroux-Schmidt, Senior Director – Government Relations and Regulatory Affairs, Innergex Renewable Energy Inc.

Colleen Giroux-Schmidt brings over a decade and a half of experience in B.C. and Canadian resource development with an extensive knowledge of the renewable energy sector. As Senior Director – Government Relations and Regulatory Affairs for Innergex Renewable Energy Inc. her focus is on working with various stakeholders, including all levels of government, First Nations and communities, to increase renewable energy opportunities to help the jurisdictions Innergex works with in meeting their climate change goals.

From: Oreck, Mira PREM:EX
To: Aaron, Sage PREM:EX

Subject: RE: Clean Energy Canada lunch with Bruce Anderson

Date: Tuesday, February 13, 2018 11:14:31 AM

I plan to but haven't booked travel yet.

From: Aaron, Sage PREM:EX

Sent: Tuesday, February 13, 2018 11:14 AM

To: Oreck, Mira PREM:EX

Subject: RE: Clean Energy Canada lunch with Bruce Anderson

Thanks, Mira. Will you be attending?

Sage

778-678-0832

From: Oreck, Mira PREM:EX

Sent: Monday, February 12, 2018 2:06 PM

To: Meggs, Geoff PREM:EX; Aaron, Sage PREM:EX; Holmwood, Jen PREM:EX; Bain, Don PREM:EX;

Dewar, Bob PREM:EX; Hannah, Matt GCPE:EX; Moran, Roseanne LASS:EX

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Mira