From: Kristianson, Eric GCPE:EX

To: s.17

Subject: Chantel Hebert

Date: Thursday, April 12, 2018 7:47:33 AM

# As B.C. and Alberta feud, Ottawa has few options that would guarantee pipeline peace

In fact, using the legal tools it has to push the Trans Mountain pipeline through could make matters worse between the provinces, and push opponents to acts of civil disobedience, Chantal Hébert writes.

**GETTY IMAGES)** 

By **CHANTAL HÉBERT**Star Columnist

Wed., April 11, 2018

Page 02 to/à Page 03

Withheld pursuant to/removed as

From: McConnell, Sheena PREM:EX

s.17 Couillard tweet Subject:

Date: Thursday, April 12, 2018 3:05:00 PM

Attachments: image001.jpg

Sur le fait (comme dans le dossier du pipeline Kinder Morgan) que le fédéral puisse passer outre à l'avis d'une province: "c'est pas un bon signe pour le fédéralisme" - @phcouillard #polqcpic.twitter.com/KFbdv3vJPU On the fact (as in the Kinder Morgan pipeline file) that the federal government can override the advice of a province: "This is not a good sign for federalism"- @phcouillard #polqc

?

Sheena McConnell, Press Secretary Office of the Premier | Government of BC 501 Belleville St, Victoria, BC V8V 2L8 | 250-387-1688 From: eric To: s.17

Subject: Energy East comparison
Date: Sunday, April 8, 2018 9:54:58 AM

# Basic economics – not regulation – ended the Energy East pipeline

**BENJAMIN DACHIS** 

Contributed to The Globe and Mail

Published October 5, 2017 Updated October 5, 2017

Benjamin Dachis is associate director of research at the C.D. Howe Institute. Copyright

Page 06

Withheld pursuant to/removed as

 From:
 Wright, Don J. PREM:EX

 To:
 Meggs, Geoff PREM:EX

 Subject:
 FW: Fuel Pricing Report

Date: Sunday, April 8, 2018 10:03:39 AM
Attachments: Fuel Pricing Report for Cabinet.docx

Talked to Dave Nik this morning. He is pulling together:

s.13

With respect to the latter, he sent me some analysis of the gas supply and price situation in the lower mainland.

Don

From: Dave Nikolejsin < Dave.Nikolejsin@gov.bc.ca>

**Date:** Sunday, April 8, 2018 at 8:58 AM **To:** Don Wright < don.j.wright@gov.bc.ca>

Subject: FW: Fuel Pricing Report

#### As discussed

From: MacLaren, Les EMPR:EX Sent: April 6, 2018 4:29 PM

**To:** Nikolejsin, Dave EMPR:EX < <u>Dave.Nikolejsin@gov.bc.ca</u>>

**Cc:** Piccinino, Ines EMPR:EX < Ines.Piccinino@gov.bc.ca >; Rensing, Michael J EMPR:EX < Michael.Rensing@gov.bc.ca >; Chapman, Duane EMPR:EX < Duane.Chapman@gov.bc.ca >

Subject: Fuel Pricing Report

Hi Dave:

Attached for your review is a report on fuel pricing. Ines and I have reviewed and commented. Kudos to Michael and Duane for pulling this together.

Les

## **Gasoline Prices**

## 1. Background

The recent increase in the price of gasoline to over \$1.50/litre in the Lower Mainland has turned public attention to the reasons behind that increase. The public discussion has been primarily about the high price of gasoline, but the press has often referenced the \$5 increase in the Carbon Tax which took place on April 1. However, the increase in the Carbon Tax translates into only a 1.11 cent/litre increase, and gasoline prices have been rising significantly since well before this change.

Gasoline prices are determined by market forces and influenced by a number of factors, such as exchange rates, the cost of refining, processing crude oil, the cost of transporting gasoline to retail outlets, and, federal and provincial taxes. There are also local factors such as access to wholesale gasoline supplies, market size, market demand, competition and, retailing and distribution efficiencies that can lead to situations where prices vary considerably.

#### 1.1. Gasoline Retail Price Breakdown

It is instructive to compare Vancouver and Prince George pricing, as they are both cities in British Columbia, but appear to be subject to different market dynamics. In general, Prince George appears to behave similarly to Calgary and Edmonton, while the Vancouver market behaves significantly different. Kamloops is also referenced, as it appears to have characteristics of both markets, likely because it is logistically closer to Alberta than Vancouver, but a significant portion of its fuels are supplied through the Trans Mountain Pipeline.

The following chart illustrates the pricing components for Prince George and Vancouver for April 2018. It is interesting to note that the "Additional Wholesale Margin" plus the "Retail Margin" is just over 30 cents/litre in Vancouver, but under 8 cents/litre in Prince George.

The retail margin depends on a number of factors, including transportation costs from the wholesale rack and local operating costs for the retail outlet, for which public data is not available.

#### 1.2. Sources of gasoline

British Columbia's gasoline came from a number of sources in 2017:

- About 21% is produced in B.C. at the Parkland Refinery (formerly Chevron) in Burnaby and the Husky Refinery in Prince George. The crude oil for the Parkland Refinery is shipped from Alberta via Kinder-Morgan's Trans Mountain Pipeline (TMP)<sup>1</sup>.
- About 61% comes from Alberta. This is shipped to Kamloops and Vancouver primarily via the TMP, and to the rest of the province via truck and rail.
- About 7% (in 2016) is ethanol imported from a diversity of jurisdictions and shipped to B.C. primarily by rail.
- About 3% is imported from California in summer to meet the Cleaner Gasoline Regulation requirements for low volatility in the Lower Fraser Valley.
- The remaining quantities are imported from various jurisdictions as needed. In 2017 the source
  was Texas, while in other years it may have been Washington or any other jurisdiction that ships
  fuel by water.

J:\ADMINISTRATION - 100-499\292 FOI\292-30 FOI Requests General\2018\Jan - Apr 2018\OOP-2018-82912 - All emails from PJH on Kinder Morgan Pipeline\Records\Fuel Pricing Report for Cabinet.docx2 of 10 2018-04-27 4:32:00 PM

<sup>&</sup>lt;sup>1</sup> The TMP is a multi-modal pipeline, meaning that it is capable of transporting a range of petroleum products, from diluted bitumen to refined products such as gasoline and diesel.

Alberta crude prices have historically been lower than global markets due to a restricted capacity for shipping crude oil to refineries. This leads to lower costs for fuels produced in Alberta and B.C. However, when access to this low-cost source is limited, higher-cost fuels are imported via the Port of Vancouver to meet local needs. Imported fuels are more expensive, so local supplies are able to demand a higher price to prevent the fuels from being exported to more lucrative markets.

#### 1.3. Wholesale Margins

The chart below shows the difference in wholesale pricing of Regular grade gasoline between Edmonton and a number of product destinations: Calgary, Prince George, Kamloops and Vancouver. Historically these prices have been two to three cents more than Edmonton, which can be attributed to the transportation cost for moving that fuel from Edmonton to the market destination. The exception has always been Vancouver, which tends to be more volatile, so that while the average difference is similar to other markets, the variability is significantly greater.

Co		

Beginning roughly in 2015, this pattern changes for Kamloops and Vancouver wholesale prices. In April 2018, the wholesale price for Regular gasoline exceeds Edmonton by 15 to 20 cents/litre in Vancouver, and by almost 10 cents/litre in Kamloops. This means that the producers of Regular unleaded are realizing a significant extra margin for fuel sold in the Vancouver and Kamloops markets, but not in the Prince George (i.e. northern) market.

#### 1.4. Retail Margins

Retail markets are affected by many factors beyond the scope of this analysis. However, comparing Vancouver retail margins to the margins in Calgary, Edmonton, Prince George and Kamloops leads to two observations:

- 1. The retail margin in Vancouver is significantly less volatile than in the other markets. This is opposite to the situation in the wholesale market.
- 2. The retail margin in Vancouver was similar to the other markets until roughly 2014, when it began to rise above the others. Since early 2017 this margin has been about 12 cents/litre, while in other markets the average appears to be about 4 to 8 cents/litre.

Copyright	

## 2. Factors that affect Vancouver wholesale fuel prices

#### 2.1.1. Refinery shutdowns

When refineries that supply Vancouver prepare for shutdowns, the industry prepares by stockpiling fuel in Vancouver in advance of the shutdown, but this capacity is limited. The response to shortfalls is to import fuels, which currently come at a higher cost.

#### 2.1.2. Limited pipeline capacity

The supply of refined products from Alberta is limited by a number of factors. One of those factors is the ability to ship fuel by pipeline. Recent TMP data<sup>2</sup> shows that the pipeline is fully utilized, and that crude oil shipments have been increasing. This implies that refined product shipments have been decreasing to make room for the increased crude oil shipments.

 $<sup>^2\</sup> Trans\ Mountain\ data\ source: \ \underline{https://www.neb-one.gc.ca/nrg/ntgrtd/trnsprttn/2016/grp1cmpns/lndlqds/trns-mntn-ppln-ulc-trns-mntn-ppln-eng.html}$ 

Copyright
-----------

According to Statistics Canada pipeline data, crude oil exports to Washington State as well ascrude oil deliveries to the B.C. refinery have been trending up since 2006.<sup>3</sup> This implies that refined products such as gasoline are most likely getting squeezed out.

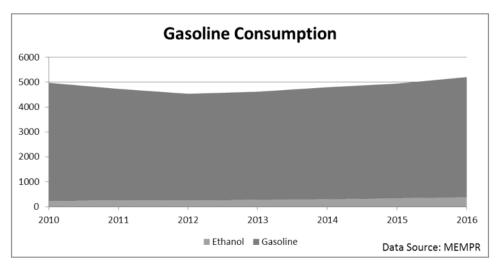
Even if it were possible to transport more refined products to B.C., A change to allocation rules of the Kinder Morgan pipeline to allow more refined products may appear to be a solution but that assumes product is available. Alberta claims that their refineries were running at 101% capacity in 2017<sup>4</sup>, which begs the question of where those refined products would come from.

\_

<sup>&</sup>lt;sup>4</sup> https://www.aer.ca/data-and-publications/statistical-reports/plants-and-facilities

#### 2.1.3. Increasing demand

Demand for gasoline has increased slightly in Alberta and Saskatchewan, while demand in B.C. has increased significantly, by 15% from 2012 to 2016 (4.5% from 2010 to 2016).



#### 2.1.4. Limited production capacity

The number of refineries in Canada has been constant for several decades. The following illustration from the Canadian Fuels Association shows that six refineries serve Western Canada, with one new refinery scheduled to come online to produce diesel fuel (only) in 2018. B.C. has 3.6% of Canada's refining capacity and 11% of western Canada's refining capacity. These refineries have been operating at maximum capacity, and any disruption in production must be met by importing fuel.

#### 2.1.5. Competing markets

The supply of fuel for the west coast of Canada and the U.S. has been tight relative to other parts of the continent. Refineries on the west coast have had issues since 2016, and there has been an increase in U.S. exports of gasoline to Mexico.

According to the International Energy Agency, 2016 was a tumultuous year for North American refiners, interrupting their five-year trend of throughput growth. The drop in throughput came largely from the deteriorating state in Mexican refining as multibillion dollar investments in Mexico that were announced at the end of 2015 were effectively put on hold until private companies take on the upgrade projects. In the first 11 months of 2016, total petroleum product exports from the U.S. rose in both volume (averaging 849,000 b/d) and value relative to the first 11 months of 2015. A significant portion of those increases have been exports to Mexico, and reductions in Mexico's utilization of their petroleum refineries have created a widening gap between its domestic supply and demand, and imports of gasoline from the U.S. now make up more than half of Mexico's gasoline consumption.

Copyright

The disconnection between west coast markets in Canada seems to have a similar counterpart in the US. Data from the U.S. Energy Information Administration shows that the west coast has been experiencing an increasing spread in prices between the producing state of Texas. For example, because of the west coast's relative isolation from areas of production, higher imports have largely met the region's increasing jet fuel demand. From 2012 through 2014, nearly all (98%) of the region's jet fuel demand was met by production within west coast states. This share fell to 87% from 2015 through 2017 as consumption increased. Increased imports of jet fuel into the west coast created an opportunity for Asian refineries to supply jet fuel to the region. These imports came primarily from South Korea, China, and Japan. If B.C.'s gasoline demand continues to grow, the same market response can be expected.

Copyright	

#### 2.1.6. Canadian dollar

Petroleum prices are indexed to U.S. markets, and when the Canadian dollar is valued below the U.S. dollar, fuel prices can be expected to rise. As the Canadian/U.S. exchange rate charted below shows, this has likely had an impact since about 2015, when the currency market shifted from roughly equivalent dollar values to a 30% premium for the Canadian dollar beginning in 2016.

Copyright

#### 2.1.7. Alternative energy use

The B.C. low carbon fuel requirements and the Clean Energy Vehicle program may have an impact on wholesale pricing, but this should apply equally for Prince George and Vancouver, as these are provincewide initiatives.

There are additional costs associated with compliance to the low carbon fuel requirements, but at the same time, the addition of biofuels to the gasoline supply, and the increasing use of electric and natural gas vehicles will help ease demand for oil products, and could help with some moderation of prices. The net effect is difficult to estimate, but is not expected to have a significant impact on cost at the current clean energy vehicle use, or for the carbon intensity targets.

## 3. Factors that affect retail margins

There are local factors that significantly affect retail margins, such as access to wholesale gasoline supplies, market size, market demand, competition and, retailing and distribution efficiencies.

Under the Canadian Constitution, the provinces have the authority to regulate retail gasoline prices. In Canada, gasoline prices are regulated in Prince Edward Island, Quebec, Nova Scotia and New Brunswick.

- Quebec has a price floor regulation, which protects vulnerable retailers from predatory competition.
- New Brunswick, Prince Edward Island, and Newfoundland and Labrador have price ceiling regulations, which protect consumers on small markets from unreasonably high fuel prices.
- Nova Scotia's regulations encompass both a floor and ceiling.

No provinces west of Quebec regulate the price of fuels.

Evidence does not suggest that consumers in regulated markets face lower gasoline prices than consumers in non-regulated markets.

The Federal Government, through the Competition Bureau, is responsible for investigating anticompetitive activities such as price fixing, and ensuring consumers have access to fair prices. Under the Competition Act, price fixing and other anti-competitive activities are illegal in Canada.

#### 4. Conclusions

Vancouver gasoline prices are unusually high, and appear to be exhibiting a number of unprecedented behaviours. It is not clear what is causing these behaviours, but there is no sign that there are non-competitive or unfair businesses practices leading to the higher margins. A similar behaviour in the US west coast seems to point to some growing supply constraints in a region with an expanding population and demand.

From: <u>Aaron, Sage PREM:EX</u>

To: s.17 Meggs, Geoff PREM:EX

Subject: Fwd: BCBC Statement on Premier Horgan"s "Crisis of Confidence"

Date: Monday, April 9, 2018 6:41:53 AM

Sage 778-678-0832 Sent from my mobile device

Begin forwarded message:

From: Cheryl Muir < <a href="mailto:cheryl.muir@bcbc.com">cheryl Muir < <a href="mailto:cheryl.muir@bcbc.com">cheryl.muir@bcbc.com</a>>
Date: April 9, 2018 at 6:34:40 AM PDT

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

Subject: BCBC Statement on Premier Horgan's "Crisis of Confidence"

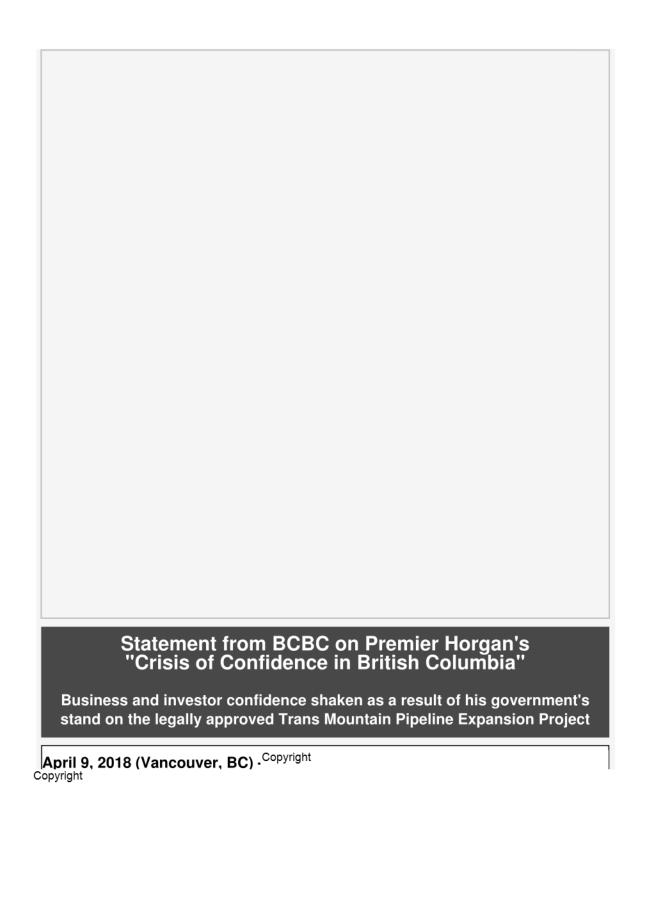
Morning Sage,

FYI - Here is a statement we have released regarding the TMX news.

Let me know if you have any questions - thanks

Cheryl

604-812-5965



Page 20 to/à Page 21

Withheld pursuant to/removed as

From: Meggs, Geoff PREM:EX

To: s.17

Cc: Nash, Amber PREM:EX; Oreck, Mira PREM:EX; Hannah, Matt GCPE:EX; Aaron, Sage PREM:EX; Dewar, Bob

PREM:EX; Van Meer-Mass, Kate PREM:EX; Moran, Roseanne LASS:EX; Clark, Layne PREM:EX; Holmwood, Jen

PREM:EX; McConnell, Sheena PREM:EX; Bain, Don PREM:EX; Geary, Vanessa PREM:EX

Subject: Fwd: Kinder Morgan Release
Date: Sunday, April 8, 2018 2:08:59 PM
Attachments: 18 04 08 KML TMEP Final.pdf

ATT00001.htm

#### Sent from my iPhone

#### Begin forwarded message:

From: "Reder, Mark" < mark.reder@fhhighroad.com>

Date: April 8, 2018 at 2:02:56 PM PDT

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

**Subject: Kinder Morgan Release** 

Geoff:

Here is the release.

Mark

s.22

This email is intended only for the named addressee. It may contain information that is confidential/private, legally privileged, or copyright-protected, and you should handle it accordingly. If you are not the intended recipient, you do not have legal rights to retain, copy, or distribute this email or its contents, and should promptly delete the email and all electronic copies in your system; do not retain copies in any media. If you have received this email in error, please notify the sender promptly. Thank you.



# KINDER MORGAN CANADA LIMITED SUSPENDS NON-ESSENTIAL SPENDING ON TRANS MOUNTAIN EXPANSION PROJECT

Will Consult with Stakeholders until May 31st on Potential Paths Forward

CALGARY, ALBERTA, April 8, 2018 - Kinder Morgan Canada Limited (TSX: KML)

Page 24 to/à Page 27

Withheld pursuant to/removed as

From: Meggs, Geoff PREM:EX

To: Aaron, Sage PREM:EX; Dewar, Bob PREM:EX; Wright, Don I, PREM:EX; \$.17 : Lloyd, Evan GCPE:EX

Subject: Fwd: Letter

Date: Thursday, April 12, 2018 6:24:32 AM

Attachments: Open Letter april11final.doc

ATT00001.htm

We should tweet agreement to meet the moment it's public. PM may call us to Ottawa Sunday.

Geoff

Sent from my iPhone

Begin forwarded message:

From: Cheryl Muir < cheryl.muir@bcbc.com>
Date: April 11, 2018 at 11:19:10 PM PDT

To: Greg D'Avignon < greg.davignon@bcbc.com >, Geoff Meggs

<geoff.meggs@gov.bc.ca>
Subject: RE: Letter

#### Hello Geoff,

Please find attached the final letter (unformatted). Below are a list of over 50 organizations, but there another 20 who have signed on since this list was circulated including CLAC, the City of Abbotsford, Progressive Contractors Association of Canada, Merit Saskatchewan, Council of Construction Associations, BC Common Ground Alliance. We can send over finalized documents tomorrow which will include all organizations as well as the release.

- 1. Alberta Chambers of Commerce
- 2. Association for Mineral Exploration (AME)
- 3. Association of Consulting Engineering Companies (ACEC)
- 4. BC Chamber of Commerce
- BC Construction Association
- 6. BC Council of Forest Industries
- 7. BC Road Builders & Heavy Construction Association
- 8. Brampton Board of Trade
- British Columbia Hotel Association
- 10. British Columbia Trucking Association
- 11. Business Council of British Columbia
- 12. Business Council of Canada
- 13. Calgary Chamber of Commerce
- 14. Canadian Advanced Technology Alliance
- 15. Canadian Energy Pipeline Association (CEPA)
- 16. Canadian Association of Geophysical Contractors (CAGC)
- 17. Canadian Association of Oilwell Drilling Contractors
- 18. Canadian Association of Petroleum Producers
- 19. Canadian Federation of Independent Business (CFIB)

- 20. Canadian Manufacturers and Exporters
- 21. Canadian Taxpayers Federation
- 22. Coalition of Concerned Manufacturers & Businesses of Ontario
- 23. Construction Labor Relations Association of BC (CLRA)
- 24. Consulting Engineers of Alberta
- 25. Dawson Creek & District Chamber of Commerce
- 26. Edmonton Chamber of Commerce
- 27. Forest Products Association of Canada (FPAC)
- 28. Fort Nelson & District Chamber of Commerce
- 29. Fort St. John & District Chamber of Commerce
- 30. Greater Nanaimo Chamber of Commerce
- 31. Greater Vancouver Board of Trade
- 32. Halifax Chamber of Commerce
- 33. Independent Contractors and Businesses Association (ICBA)
- 34. Kamloops Chamber of Commerce
- 35. Kelowna Chamber of Commerce
- 36. Merit Canada
- 37. Merit Contractors Association of Manitoba
- 38. Mining Association of BC
- 39. Mining Association of Canada
- 40. MINING SUPPLIERS ASSOCIATION OF B.C. (MSABC)
- 41. Petroleum Services Association of Canada
- 42. Prince George Chamber of Commerce
- 43. Saskatchewan Chamber of Commerce
- 44. Surrey Board of Trade
- 45. The Association of Consulting Engineering Companies British Columbia
- 46. The Canadian Chamber of Commerce
- 47. The City of Dawson Creek
- 48. The Manitoba Chambers of Commerce
- 49. The Winnipeg Chamber of Commerce
- 50. Thompson Nicola Regional District
- 51. Toronto Region Board of Trade
- 52. Urban Development Institute
- 53. Western Equipment Dealers Association

Thank you,

Cheryl

Cheryl Maitland Muir Direct: 604-696-6582 Mobile: 604-812-5965

----Original Message-----From: Greg D'Avignon

Sent: April 11, 2018 10:52 PM

To: Geoff Meggs <<u>geoff.meggs@gov.bc.ca</u>> Cc: Cheryl Muir <<u>cheryl.muir@bcbc.com</u>>

Subject: Letter

Cheryl is sending over the letter which mirrors the release. Still being formatted do the version will have  $50 + {\rm signatory}$  organizations and communities with 75-80 by tomorrow on the final

Greg D'Avignon President & CEO Business Council of BC 810-1050 West Pender St Vancouver B.C. V6C 3S7

#### DRAFT - SIGNATURES TO BE CONFIRMED

April xx, 2018

The Right Honorable Justin Trudeau and Cabinet Prime Minister of Canada Office of the Prime Minister 80 Wellington Street Ottawa, ON K1A 0A2

cc: Premier John Horgan and Cabinet
Premier Rachel Notley and Cabinet

#### Sent via email

Subject: Open Letter

Dear Prime Minister Trudeau and Cabinet,

Earlier this week Kinder Morgan announced its intention to suspend all non-essential spending on the federally and provincially approved Trans Mountain Pipeline project citing "unquantifiable risk" as a result of the continuing uncertainty created by the B.C. government. In response we are taking the unusual step to come together and call upon you to convene a meeting without delay with the Premiers of British Columbia and Alberta to resolve the impasse on the Trans Mountain Pipeline project and to clear the way for this project to proceed in the national interest.

Regrettably, this may not be enough. The continued obstructionist position of the current Government of British Columbia calls into question whether an agreement can be reached where the rule of law will prevail and commercial enterprise can, with confidence, build and operate a business in our country.

Should you and the Premier of British Columbia be unable to cooperatively resolve the current impasse within days, we then call upon you to utilize all appropriate federal powers at your disposal, including expand, if required, the Ocean Protection Plan, to ensure the Trans Mountain pipeline project proceeds without further delay.

At stake is more than a pipeline project. The global reputation of our country as a safe and secure place to invest and do business is at serious risk.

It's deeply concerning that a project that has gone through rigorous review, including four years of consultation and numerous federal and provincial conditions is now in this situation after being given a green-light to proceed. This threatens to provoke a crisis of confidence in Canada's regulatory processes with far reaching implications which go well beyond this project. It threatens to send a message to investors that Canada cannot be trusted. It puts billions of dollars of government revenue at risk—billions that pay for things that Canadians need, from teachers to MRI machines to affordable housing and further investments in protecting the environment.

Many small and medium-sized business owners, construction workers, people who support their families in manufacturing, and Indigenous Nations are now unfairly caught in the crossfire as a result of

the uncertainty surrounding the project's future and, collaterally, our country's growing uncertain investment climate.

We appreciate your government's support of this federally and provincially approved project. In the interest of all Canadians, your government must now make this issue its top priority. Creating certainty is of the utmost importance not just for the Trans Mountain pipeline project, but also to uphold the rule of law and Canada's reputation as a place in which to invest, build and operate businesses. As you are well aware, investor confidence is essential to creating jobs, supporting healthy communities, and funding health, education and social programs.

•

Sincerely,

From: Kristianson, Eric GCPE:EX

To: s.17

Subject: KM post Morneau interview--The "source" is probably Ben Chin

Date: Wednesday, April 11, 2018 4:10:30 PM

# Canada's Trudeau to press British Columbia to accept pipeline: source

Page 34 to/à Page 35

Withheld pursuant to/removed as

From: Meggs, Geoff PREM:EX

2.17 <u>Dewar, Bob PREM:EX; Wright, Don J. PREM:EX; Aaron, Sage PREM:EX; McConnell, Sheena PREM:EX; Holmwood, Jen PREM:EX; Van Meer-Mass, Kate PREM:EX; Clark, Layne PREM:EX; Nash, Amber PREM:EX; Bain, Don PREM:EX; Moran, Roseanne LASS:EX; Oreck, Mira PREM:EX</u> s.17 To:

Subject: Sunday April 8.docx

Date: Sunday, April 8, 2018 3:48:56 PM

Sunday April 8.docx Attachments:

ATT00001.txt

Good afternoon,

I want to begin today with my condolences to families here in Alberta, Saskatchewan and across the west who have been devastated by the tragic accident involving the Humbolt Broncos.

This evening, there will be a vigil in Humbolt, timed for when the puck was supposed to drop.

Our province and our country are in mourning.

Our flags have been lowered.

Our hearts are with everyone affected.

(PAUSE)

Now, the Kinder Morgan Trans Mountain expansion.

Albertans have been clear – get this pipeline built.

And Albertans are right – this pipeline must be built.

Tens of thousands of jobs and billions of dollars to the economy.

Better public schools.

Better public hospitals.

That's what this pipeline means for us and for our country.

Kinder Morgan has now put a deadline of May 31<sup>st</sup> in place.

I regret that the Houston-based board of Kinder Morgan is still frustrated by not knowing how many more legal fronts they will need to fight.

If I was a resident of BC, I would be very worried about what this says about the investment climate in British Columbia.

How can the economy of British Columbia be built when every private investor considering a project must weigh the risk that the provincial government will conduct itself this way?

That should worry all Canadians.

To be clear, we have won a series of important and decisive legal victories.

The courts threw out BCs last case without even hearing it.

And I am confident we will continue to win.

Today, Minister Carr has called on the Government of British Columbia to suspend all threats of delay to the Trans Mountain expansion.

Those are strong words, but we need more.

Today, we are calling on the federal government to act in the defense of Alberta

and working people in western Canada in the way they have for others.

During the auto crisis, Ottawa intervened to help workers in Ontario with concrete action.

When aerospace needed a bailout, Ottawa stepped up for workers in Quebec with concrete action.

And now the energy industry and western Canada needs Ottawa to step up – and we call on them to act.

A federal approval of a project must be worth more than the paper it's written on.

(PAUSE)

As well, I have two things to say to British Columbia:

First, Premier Horgan believes he can harass this project without economic consequences for British Columbia.

He is wrong.

We will be bringing forward legislation in coming days giving our government the powers it needs to impose serious economic consequences on British Columbia if its government continues on its present course.

Second, Premier Horgan believes he can harass the investors and managers of Kinder Morgan, that they will give up, and that this will kill this project.

He is wrong here as well.

Investors in Houston might not have the stomach for this fight.

And maybe the Government of BC feels they can mess with Texas, but they can't mess with Alberta.

If we have to, Alberta is prepared to do whatever it takes to get this pipeline built - including taking a public position in the pipeline.

Put another way, Alberta is prepared to be an investor in the pipeline.

If we take that step, we will be a significantly more determined investor.

Never count Alberta out.

This pipeline will be built.

Thank you.

I look forward to your questions