



# Pipeline and Tanker Awareness Day on the Hill

## **Speaking Notes for Hon. Perrin Beatty**

President & Chief Executive Officer  
Canadian Chamber of Commerce

Tuesday, April 24, 2018

5:00-8:00 pm

Aboriginal Room, 160-S Centre Block

**CHECK AGAINST DELIVERY**

Thank you very much for having me here this evening.

This event, and the issues we are here to discuss, are more important than ever before.

Canadians have always been great builders. The Canadian Pacific Railway united the country with thousands of kilometers of track across forest, mountains and prairies. In the St. Lawrence Seaway, we built the longest deep-draft navigation system in the world, which became the arteries for trade and commerce in North America. Today, we take these engineering marvels for granted, forgetting that at the time they were controversial and required tough decisions.

Today, we are a nation of builders that can't get anything built.

The debate over the Trans Mountain Expansion project raises questions about how we govern ourselves as a country, how those outside of our borders perceive us, and the impact that has on our prosperity.

It also raises another question that we must confront as a country.

I am referring to the need for us to come to terms with role that Canada's resource sector plays in creating and sustaining our economic health and well-being as a country.

Simply put, the health of the oil and gas sector is foundational to Canada's prosperity.

Some people — including some politicians — believe we should apologize for our oil and gas inheritance. I believe just the opposite. This is something Canadians do better — and to higher standards — than anyone else in the world. The sector is innovative and high tech, and it has the potential to supply the energy needed to allow millions now living in poverty to enjoy higher living standards, to displace oil and gas from unstable or despotic regimes, and to substitute cleaner energy for coal-fired generation facilities that cause air pollution and are a major contributor to global warming. This should be a source of pride for every Canadian, and getting Canadian resources to global markets responsibly should be the goal of every political party.

Here at home, the sector supports tens of thousands of well-paying jobs, both directly and indirectly, drives innovation and helps to finance our schools, our infrastructure and our health care system.

Without the revenues and taxes the sector creates, Canada and the standard of living we enjoy would be very different.

Consider how the impact the collapse of commodity prices has affected us.

The federal government's 2017 fall economic update described its "profound effect on the Canadian economy," noting that in the last couple of years the decline in oil prices has cost our economy over \$112 billion, or approximately \$6,200 for every working person in Canada.

The problem is made worse by our inability to get our oil and gas to global markets. As a result, Canadian oil is selling at a discount. We have made Donald Trump Canada's largest foreign aid recipient!

The reason? We cannot get a pipeline built, even one that has been approved after undergoing one of the most stringent regulatory processes in the world. One that underwent a multi-year, rigorous and scientifically sound review process that included consultations with thousands of individuals, as well as Indigenous and other communities.

The Trans Mountain Expansion project was approved by the federal government with 157 conditions attached to it, all of which the company has said they accept. Yet it is still not getting built.

That sends a terrible message to investors, at home and abroad, and poses a real economic threat to our country.

According to the Conference Board of Canada, over the first twenty years of operation the Trans Mountain Expansion will generate approximately \$47 billion in taxes and royalties for government.

An additional \$23.2 million in municipal property taxes will be collected each year by the province of British Columbia.

In Alberta the government will collect about \$3.4 million annually.

Getting this project built is in the national interest not only for the immediate economic benefits it will provide Canadians, but also for the important message it will send to investors at a time when investment in Canada is dropping.

Direct investment in Canada dropped by 26 per cent in 2017 to \$33.8 billion.

Overall, capital flows dropped for a second year and are down by more than half since 2015.

And, according to Statistics Canada, net foreign purchases of Canadian businesses turned negative for the first time in a decade.

While the revenues and jobs that these projects create, and the investment they attract are vital to our economic interests, they are important for other reasons, too.

Often overlooked is the sector's role in driving innovation.

The sector's commitment to innovation – which it matches with major investments – is contributing to the fight against climate change and is one of the reasons our oil and gas sector is arguably the safest in the world.

While oil and gas are the foundation of our economy and our energy supply today, we are in the process of transitioning to a cleaner, greener future less reliant on fossil fuels.

Getting there will take time, money and innovation.

To help you understand the magnitude of the challenge consider this: the Conference Board of Canada estimates that the transition to a lower carbon economy will require between \$1.5 and \$3.4 trillion in clean energy infrastructure.

As we move toward that future, we must also look for ways to reduce our carbon footprint, our greenhouse gas emissions, and the impact industry has on our forests and waterways.

The work being done by the Canadian Oil Sands Innovation Alliance is helping to address all of those concerns through the efforts of its member companies who develop and share the best, most innovative ideas and approaches to improving the sector's environmental performance.

To date, the member companies that make up the Alliance have shared close to one thousand technologies and innovations that cost almost \$1.5 billion to develop.

So I will conclude with this: Canada's oil and gas sector is critical to our economic health, our prosperity, and our ability to secure a cleaner, greener future.

We need to do whatever we can to support it, to encourage investment, and to ensure that everyone knows that when it comes to oil and gas, we claim one of the world's safest, most environmentally responsible sectors in the world.

Thank you for your time and your commitment on these important issues. I look forward to our discussion.

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