

Omnibus 3-part SUBMISSION to the Commons Standing Committee for the 2015 Federal Budget

1). Federal Initiative to activate the National Energy Self-Sufficiency Vision Strategy (“the Strategy”)

EXECUTIVE SUMMARY

- Create the Federal Legislative initiative to establish “the Strategy” for a renewed Federalism with democratic engagement by informed citizens.
- Structure the model P3 Private Sector-Government Partnership (“The Partnership”) to facilitate the working collaboration of all the Players involved in the Northern Gateway Project to best ensure that the Regulator’s 209 Conditions (subsuming the B.C. Government’s 5 Demands) and the pertinent concerns of the UN Report on Aboriginal Conditions are met
- The Federal Government to create the highest maritime & land use regulatory environment and ensures its strict enforcement under Federal jurisdiction and to take prime responsibility for oil spill damage, cleanup and environmental restoration occasioned by “the Partnership”
- Provision for Federal Capital Infrastructure funding to assist local governments to establish the facilities necessary to support a BC coastal port economy for tanker terminal shipping
- A comprehensive education and apprenticeship program to attract and to train personnel (especially local BC residents) to provide the necessary workforce and skill sets to drive “ the Strategy”

PROBLEM:

The pressing need for Canada’s Parliament to formulate and to communicate for all Canadians a practical National Energy Self-Sufficiency and its Strategy to engage the hearts & minds & talents of all its citizens. This process of democratic engagement is vital to enlist the energies of a resourceful people and to co-opt Canadian best science to prospect, develop and to bring to market Canadian natural resources through distribution by a state-of-the-art Nation-wide transportation pipeline grid to connect port facilities.

Canada like the resurgent economy of the Russian Federation, can achieve energy self-sufficiency and Energy Superpower status by renewed Federalism through complete involvement of its people (especially traditional subsistence-based and isolated communities in British Columbia). The spirit of renewed Federalism is needed now to overcome the unwarranted fears about Canada’s economic progress by giving clear optimistic work ethic education and training to ensure the human habitat subsists within the natural environment for the benefit of future generations.

The problem of the feeling of FEAR generated by the Unknown must be replaced by a trustworthy appreciation and cooperative realisation of the new Canadian Energy Superpower-prosperity reality based upon sound economics and technology.

BACKGROUND

The Federal Government is statutorily obliged to hand down its Northern Gateway decision following the National Energy Board's comprehensive review of the proposal released in December 2013, in which the NEB approved the project subject to meeting a list of 209 conditions. However even if Ottawa gives the Project the green-light there is still concern about getting it built. In this connection, The Prime Minister has said that economic forces and best science –not politics-ultimately determine whether this Project gets built. Therefore it is necessary to ensure that this Project is of National Interest so as not to be unduly delayed by either (a) by protracted consultations as experienced in the McKenzie Valley Pipeline Debate or (b) by the fear-mongering of vested interests about “the Exxon Valdez Spillage Risk” (despite the fact that the Insurance Risk factor is reckoned as factually negligible based upon Norway's StatOil experience as well as the State of Washington tanker traffic safety record. In this connection It is now evident that the Federal Government must create “the comfort zone” for Canadians by a declaration of “National Interest” that (1) the Northern Gateway Project to be an integral part of the Canadian-wide Pipeline Grid System and therefore and (2) operated by Enbridge as the Turn-Key partner in a P3 managed Private-Government Partnership. Such P3 Partnership being composed of the Government of Canada (responsible for assuming the marine & Pipeline Risk Factor) and the Governments of Alberta and BC working collaboratively together on the ground with the Aboriginal peoples geographically involved.

The concept of the P3 Northern Gateway Project Partnership provides the governance framework as well as bringing together all the relevant commercial Parties, positioned to ensure that the Regulator's 209 pre-conditions are fully met (subsuming the BC Government's 5 Demands). However there are some political realities to be faced in BC because while the public there may accept that oil pipelines are the best and safest modern transportation technology, they are less comfortable with the prospect of increased tanker traffic in BC coastal waters because they feel technically un-informed and seek some reliable re-assurances.

FACTS: The Northern Gateway pipeline has the built capacity to transport 525,000 barrels per day of Alberta crude across British Columbia requiring two-hundred-and-twenty oil tankers a year to navigate in and out of the Douglas Channel to a new terminal in Kitimat. However even if the Northern Gateway Project as well as the Kinder Morgan expansion go ahead as planned, B.C. would still only see about 60 per cent of the annual oil tanker traffic that the neighbouring State of Washington deals with currently. And yet Washington State has an exceptionally clean record when it comes to the safe transport of oil in and out of its harbours – this, while operating under marine safety regulations that are not as rigorous as the ones Ottawa intends to put in place for the shipment of oil along the BC West Coast.

A further political hurdle for the Northern Gateway Project to overcome is contained in the recent UN Report critique that : **“Pipelines Risk 'Social Peace”** (as) 'Distressing' conditions in indigenous communities (is) at odds with Canada's resource wealth” , specifically mentioning the Northern Gateway

Project as facing controversy in indigenous communities despite government backing. Further the Special Rapporteur stated:

"Indigenous representatives made him aware of a number of proposed or implemented development projects that they feel pose great risks to their communities and about which they feel their concerns have not been adequately heard, or addressed," "Resources are in many cases targeted for extraction and development by non-indigenous interests," and he concluded. "While indigenous peoples potentially have much to gain from resource development within their territories, they also face the highest risks to their health, economy, and cultural identity from any associated environmental degradation." He added that many First Nations' efforts to protect their territories and "long-term interests" are at odds with not only the efforts of corporations, but the "backing of the federal and provincial governments."

SOLUTION

The Northern Gateway Project, BC port expansion project and maritime security are collectively a matter of National Interest for Canadians and their Parliament and should therefore be packaged in a vehicle subject to Parliamentary oversight. This Proposal to establish a P3 Government – Private Sector Partnership with Enbridge as the Project Operator of the Northern Gateway Project achieves the necessary transparency and accountability of this Enterprise and the participation of Provincial Governments of Alberta and BC with their local First Nations ensures the democratic best interests of the People. The specific concerns of the BC aboriginal communities impacted by Northern Gateway are best addressed by their full participation in the practical P3 Solution.

- 2) To Eliminate the Supply Management Regime over dairy products, chickens and eggs and to assert Canada's commitment to, entrepreneurship to maintain free markets domestically and internationally

EXECUTIVE SUMMARY

- Replace the current Supply Management Regime with a free market for dairy products, chickens and eggs for the benefit of both the Canadian farmer and the Canadian consumer
- Eliminate the buying and selling Milk Quotas system which concentrates control of the Canadian dairy industry in the hands of the Monopoly-Owners operating the Supply Management system that has significantly reduced the number of Canadian dairy farmers and kept out potential new- entry farmers
- Strengthen Canada's Free Trade negotiating position in the Global Village Economy

The PROBLEM

Under Canada's Supply Management Regime, Ottawa allows price-fixing, while imposing tariffs of up to 300 per cent to keep imports out. Canada is marginalized in international free trade negotiations by its Supply Management Regime and the Canadian consumer is burdened to have to maintain a market monopoly that forces up the cost of living in Canada.

As Canada and Canadians derive no benefit from the Supply Management system, it should be phased-out over 7 years to allow the Monopoly-Owner Group to be adequately compensated by the Crown for their investment in the Supply Management Regime and Canada and the Canadian consumer liberated to enjoy the benefits of a free-market place in the Global Village Economy.

BACKGROUND:

The 2013 C.D. Howe Report "Sticker Shock: The Causes and Consequences of the Canada-U.S. Price Differential" found that a large wholesale price gap emerged in the 2000s, exacerbated by a run-up in the Canadian dollar. In 2002, a typical basket of goods that consumers buy regularly was 22 per cent lower in Canada than the U.S. – a trend that was the norm from the mid-1990s to the early 2000s. By 2012, the trend had reversed and the same goods had become 27 per cent more expensive in Canada.

An even larger swing hit food prices, which were 57 per cent more expensive in Canada in 2012, compared to 9 per cent cheaper a decade earlier. The widest price discrepancy of all, at 76 per cent in 2012, was for milk, eggs and cheese – products governed by Supply Management. And the Canada-U.S. price difference for these products widened more than for other food items over the decade.

Further in recent letter to Industry Minister James Moore, signed by the heads of nine organizations, Ottawa was urged not “intervene in setting prices,” pointing out that federal government policies contribute to the cross-border gap through such things as outdated regulations. “It is critical to note that the government itself plays a major role in the retail price consumers pay for goods in Canada.”

SOLUTION;

The immediate elimination of the current Supply Management Regime utilizing the precedent of the successful Australian Government model to bring all Provincial Governments onside to affect:

- * The buy-out of the Monopoly-Owner group’s investment in the Regime at current fair market value over a 7-year period

- *The stabilization of the market for dairy products, chickens and eggs for the 7-year period at their current market price

3). The Federal Government establish a Federal-Provincial Agency to put in place a Universal PharmaCare prescription drug Program to complement Canada's Universal HealthCare system.

EXECUTIVE SUMMARY

- * Canadians pay \$30 Billion dollars annually for prescription drugs which is twice the amount spent per capita in the UK or the Netherlands
- * Canadians have the worst prescription drug coverage among developed countries
- * No common Canadian National prescription standard in current Provincial prescription drug programs
- * Physician-prescribed drugs are cost-effective but, 10% of Canadians say they can't make the payments
- * Prescription drugs are the most commonly used part of the Canadian health system by 3 out of 4 Canadians and 9 out of 10 Seniors
- * Without the benefit of the bulk buying of prescription drugs in Canada, Canadians pays \$13.60 for a brand-name drug and \$3.40 for its generic version, whereas a New Zealander with bulk purchasing and Universal PharmaCare in place pay only \$1.00

PROBLEM

Every developed country with a Universal HealthCare system provides universal coverage of prescription drugs-except Canada.

The 2013 C.D. Howe Institute Report "Rethinking Pharmacare in Canada" identifies that 13 government jurisdictions and 280 private insurers buy prescription drugs under separate arrangements which benefit the drug corporations. Furthermore private insurers pay double the amount for the same drugs and surcharge customers a 20% "administrative fee". The Canadian HealthCare system exists to shield Canadians from the cost of catastrophic illness but many Canadians to-day (particularly Seniors on fixed incomes) are exposed to the catastrophic rise in new prescription drug costs or have to accept illness and hospitalization under the Universal HealthCare system.

SOLUTION

To protect Canadians from being overwhelmed by the increased cost of prescription drugs, Federal initiative is needed to establish a Federal-Provincial Body to act as the Buying Agency to negotiate the necessary bulk purchase arrangements with the drug corporations under open & transparent bid & tender process.

