



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Natural Resources

RNNR • NUMBER 052 • 2nd SESSION • 41st PARLIAMENT

EVIDENCE

Thursday, March 26, 2015

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Chair

Mr. Leon Benoit

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• (1530)

[Translation]

The Vice-Chair (Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP)): Welcome to the committee's 52nd meeting.

We are beginning our study of Bill C-46, An Act to amend the National Energy Board Act and the Canada Oil and Gas Operations Act.

As you can see, I'm not Mr. Benoit, who, unfortunately, can't be here today, so I will be replacing him as chair.

We are pleased to have with us, today, three representatives from the National Energy Board to discuss Bill C-46. In light of the agreement that was made, members' questions may go beyond the scope of Bill C-46, but I think you were made aware of that possibility.

Now, without further ado, I'd like to welcome Jonathan Timlin, Josée Touchette and Robert Steedman.

[English]

I understand from discussions you've had with the chair and the clerk that you were given about 20 to 25 minutes for your presentation. I would invite you to start right away, before we start the rounds of questions.

[Translation]

Ms. Josée Touchette (Chief Operating Officer, National Energy Board): Thank you, Mr. Chair.

We weren't aware that we could be asked questions beyond the scope of the bill, but that being said, we are here to answer your questions and we'll be happy to do so.

Good afternoon, ladies and gentlemen. Allow me to introduce myself. My name is Josée Touchette, and I am the chief operating officer for the National Energy Board, or NEB. It's a great honour for me to appear today before the Standing Committee on Natural Resources about the proposed Pipeline Safety Act, Bill C-46.

I bring to the board over 25 years of experience in the public service, over half of which was in senior executive positions, including at Aboriginal Affairs and Northern Development Canada, the Department of National Defence and the Department of Justice.

Allow me now to introduce my colleagues.

[English]

I am joined today by Dr. Robert Steedman, our chief environment officer. Dr. Steedman has been with the board for over 10 years. He holds degrees in environmental sciences from the University of Toronto, Oregon State University, and the University of Calgary.

I am also joined by Mr. Jonathan Timlin, our director of regulatory approaches. Before he moved to Calgary three years ago to work for the NEB, Mr. Timlin worked in Ottawa as a senior policy adviser with both Transport Canada and the Major Projects Management Office. He also previously worked in the electricity industry.

[Translation]

I'd like to begin by telling you about the board's role to provide a bit of context for our discussions later.

The NEB is a quasi-judicial independent agency created by Parliament in 1959 to regulate pipelines and energy development in the public interest. While the NEB functions at arm's length from government, it is accountable to Parliament through the Minister of Natural Resources. Our role is to implement—not set—policies affirmed by federal legislation. The safety of Canadians is a top priority for the NEB.

However, many Canadians don't understand this aspect of our business or how we concern ourselves with it at all.

[English]

Today I will provide some insight into how the NEB operates, including an overview, our legislated mandate, changes to the legislative framework, the new public environment, life-cycle regulation, and current safety measures. I will also give you some context on the challenges we face and the three strategic priorities that we are focusing on in response to those challenges.

[Translation]

The National Energy Board is an expert tribunal, currently comprised of six permanent and seven temporary board members, and supported by a staff of highly skilled engineers, environmental specialists, auditors, inspectors, lawyers and engagement specialists, among others. We are very proud of the work that we do at the NEB—whether it's managing complex public hearings, assessing environmental impacts and pipeline integrity, carrying out pipeline inspections and audits, or the myriad of other tasks that we perform daily to ensure that Canada's energy infrastructure is safe and reliable.

• (1535)

[English]

Let me turn to our legislative framework.

Our mandate is set out in several pieces of legislation, including the National Energy Board Act, the Canada Oil and Gas Operations Act, the Canada Petroleum Resources Act, and the Canadian Environmental Assessment Act of 2012. I will discuss each of these in turn.

The National Energy Board Act sets out the NEB's regulatory responsibilities regarding, first, the construction, operation, and abandonment of pipelines that cross international borders or provincial boundaries, as well as the associated pipeline tolls and tariffs; second, the construction and operation of international power lines and designated interprovincial power lines; and third, the import of natural gas and exports of crude oil, natural gas liquids, natural gas, refined petroleum products, and electricity. The board also monitors aspects of energy supply, demand, production, development, and trade that fall within the jurisdiction of the federal government under the NEB Act.

The Canada Oil and Gas Operations Act and certain provisions of the Canada Petroleum Resources Act set out the NEB's regulatory responsibilities for oil and gas exploration and activities on frontier lands not otherwise regulated under joint federal-provincial accords, such as, for example, Nunavut, the Arctic offshore, Hudson Bay, the west coast offshore, the Gulf of St. Lawrence, a portion of the Bay of Fundy, and onshore Sable Island.

[Translation]

Finally, both the NEB Act and the Canadian Environmental Assessment Act, 2012, provide the NEB with a mandate to consider potential environmental effects and conduct environmental assessments when making regulatory decisions and recommendations.

Environmental aspects have been considered in board decisions under the NEB Act since the early 1970s.

We cannot regulate outside the scope of the acts that govern us. There is a broad network of regulatory jurisdictions across Canada that share responsibility for regulating oil and gas production, energy infrastructure and the environment.

For example, the NEB Act does not provide authority to regulate the production of oil or gas. That responsibility falls to the provinces or their agencies.

I wish to underscore that this legislative mandate is given to us by Parliament. Our role is to implement—not set—policies affirmed by federal legislation.

[English]

Let me turn to some of the legislative changes that we've had recently.

In 2012, Parliament passed the Jobs, Growth and Long-term Prosperity Act, also referred to as Bill C-38, which included some of the most significant changes to the NEB Act since its implementation in 1959. Under this legislation, the NEB was given a 15-month maximum time limit for regulatory reviews. This provides the public

with enhanced certainty around regulatory proceedings and NEB project reviews. The board was also given new compliance enforcement tools in the form of administrative monetary penalties, or AMPs. AMPs enable us to impose financial penalties on companies or individuals for non-compliances related to safety and the environment.

[Translation]

The Energy Safety and Security Act received royal assent in February. That new legislation amends the Canada Oil and Gas Operations Act and provides the board with new tools for regulating northern oil and gas activities.

The key components of that act include the following elements: \$1 billion absolute liability limit in the offshore and new obligations related to financial responsibility and financial resources; improved transparency through new board authority to hold public hearings, make information public, and provide participant funding in relation to projects under the Canada Oil and Gas Operations Act; 18-month time limit for NEB review of Canada Oil and Gas Operations Act applications; authority to establish an administrative monetary penalty regime under the Canada Oil and Gas Operations Act consistent with AMPs under the National Energy Board Act; and authority for cost recovery under the Canada Oil and Gas Operations Act, which would move the board toward 100% recovery of all expenditures.

• (1540)

[English]

You now have before you Bill C-46, the pipeline safety act. We at the board welcome any measures that will strengthen our legislation and expand our tool kit to protect Canadians and the environment.

Should Bill C-46 receive royal assent, some of these measures include: an absolute liability regime that will cover all NEB-regulated pipelines and new financial resources requirements that will make sure companies have the ability to pay for spills; greater clarity regarding audits; enhanced enforcement powers to issue stop-work orders in the north; clarification of the board's jurisdiction over abandoned pipelines; board power to assume control of an abandoned pipeline if the company is not complying with board orders; and board powers to assume control of an incident where the governor in council determines that the company will not be able to pay or is not complying with board orders.

The NEB will work effectively and efficiently to implement any changes passed by Parliament in a timely manner.

These legislative changes come at a time when the Canadian energy industry is in the midst of a perfect storm. The conversation around energy development in Canada is working to reconcile safety and environmental protection, economic development, the rights of aboriginal people, and diverse local interests and needs. The resulting debate is complicated and provokes strong opinions.

[*Translation*]

And the board is in the eye of the storm. We are surrounded on all sides by opposing interests and are also increasingly subject to public scrutiny.

Until the summer of 2010, the board had maintained a fairly low public profile. Most Canadians had little or no idea who the NEB was. In 2006, when the board reviewed an application for the Trans Mountain Anchor Loop Project through Jasper National Park, there were eight interveners

In March 2010, the board released its Keystone XL decision to relatively little fanfare and only 29 interveners in the process.

Contrast that with today, when we have 400 interveners and over 1,300 commenters in the Trans Mountain pipeline expansion project. And we currently have close to 2,300 applications to participate in the Energy East hearing.

The National Energy Board Act stipulates that we must hear from those who are directly affected by the granting or refusing of a project application. And the public appetite to participate in energy hearings is greater than ever. So we adjust and adapt.

We have to remain flexible, so that increasing numbers of interveners can participate in our hearings in a meaningful way. But this focus on mega-projects and public participation leaves the false impression that all the board does is review applications. Nothing could be further from the truth.

[*English*]

As we navigate this storm, we also have a critically important responsibility to provide regulatory oversight to about 73,000 kilometres of pipeline. That is nearly enough pipe to wrap around the earth two times.

The vast majority of those pipelines are buried below ground. Canadians safely live, work, and travel over them every day, and many never even realize that those pipelines are there, but this infrastructure is aging. The majority of these pipelines were put in the ground more than 30 years ago. That is why we put so much focus on safety: on damage prevention, compliance, and enforcement activities.

● (1545)

[*Translation*]

In 2014, the board conducted 353 compliance activities related to public safety, security and environmental protection. That is almost one compliance activity for every day of the calendar year. These compliance activities included 230 inspections of pipelines and 6 comprehensive audits.

In 2014, the board received nearly 600 applications for pipeline and power line-related facilities, tolls and tariffs, as well as import/export authorizations.

An important part of the board's job is to review and assess project applications, and, using the evidence that is placed before it during a hearing, to determine whether a proposed project is in the Canadian public interest. However, this is only one part of our role. Our regulatory oversight spans the entire life of the project—from design

to abandonment. Oil and gas pipelines under NEB jurisdiction require the board's approval before being built.

In that context, companies must file detailed project applications. When an application arrives, we assess it for factors such as safety, environmental impacts, engineering integrity, security, emergency response capability, the rights of people affected, and if applicable, the reasonableness of the proposed tolls and tariffs. Public hearings are then held in many cases.

As I already said, the public appetite to participate in energy hearings is greater than ever. We also want to hear from individuals and groups that are directly affected by a project. If a project is approved, the board sends inspectors to the construction site to ensure that the company is building the project according to the board's conditions and commitments that the company made during the application process.

After construction is complete, the board uses tools such as audits, inspections, compliance meetings, and field exercises to hold companies accountable for safe operation that protects the public, workers and the environment.

Once a pipeline is no longer needed, the NEB requires a company to submit an application for abandonment. This starts an assessment process to determine the conditions that must be met in order for the project to be safely taken out of service.

[*English*]

Bill C-46 would enhance the board's authority in the area of abandonment, and we welcome that. In other words, the board regulates from start to finish and holds pipeline companies responsible for the full cycle of the pipelines they operate.

There is no doubt that all Canadians are concerned about the safety of energy infrastructure and the protection of the environment. The NEB is committed to taking all available actions to protect Canadians and the environment. Conducting unauthorized activity near pipelines or otherwise failing to comply with damage prevention requirements puts the safety of people and the environment at risk.

[*Translation*]

While the NEB requires the companies it regulates to strive for zero incidents, we recognize that damage prevention is a shared responsibility among all those who operate and work near pipelines. We require pipeline companies to ensure that people know how to safely conduct activities like excavation and construction near their pipelines. We also support and promote the use of one-call systems that promote effective and timely communication between someone planning an activity near a pipeline and the pipeline company.

● (1550)

[*English*]

In addition to our damage prevention program, we have a comprehensive compliance and enforcement program to make sure companies are doing what is required. Each year the NEB conducts targeted compliance verification activities, including six comprehensive audits and at least 150 inspections of regulated companies. This is in addition to the 100-plus technical meetings and exercises conducted on an annual basis.

These tools have been effective in allowing the board to proactively detect and correct instances of non-compliance before they become issues. When companies follow our rules, which are designed to identify hazards and manage risks, pipelines are a safe and reliable way to move oil and gas.

[*Translation*]

The NEB has strict requirements companies must follow in order to operate their pipelines. These requirements touch on everything from the type of materials used to build a pipeline, to the steps that should be taken to protect people and the environment. Make no mistake—should companies fail to live up to their commitments around safety and environmental protection, the NEB does not hesitate to take strong enforcement action.

We will take every measure to protect people and the environment. We have powerful tools to keep companies on track and prevent incidents which we will use without hesitation. This could include issuing cash fines called administrative monetary penalties, lowering the amount of product a company is allowed to move through their pipeline, and shutting down a pipeline completely if necessary.

[*English*]

In 2012 the board took the following enforcement actions: 302 notices of non-compliance and assurances of voluntary compliance, 3 inspection officer orders, 5 safety orders, and 6 administrative monetary penalties.

While our focus is on preventing accidents from happening in the first place, should an incident occur, the NEB has an emergency management program in place and is ready to respond to an emergency situation at all times. We have working agreements with other government departments and agencies in order to coordinate responses and communicate effectively in times of crisis.

[*Translation*]

In addition, companies are required to consult with municipalities, first responders and other agencies in the development of their emergency management program. These programs must be put in place prior to operation of a pipeline and must continue throughout its life cycle.

In addition, companies are required to provide emergency management information to persons associated with emergency response, and to develop continuing education and liaison programs for relevant agencies and the public adjacent to the pipeline.

[*English*]

As you can see, there is a significant amount of work that is being done by our staff every day to strengthen all aspects of our pipeline oversight, whether it is through the rigorous review and testing of pipeline applications, compliance and enforcement, or developing and implementing regulatory improvements.

But as technology and the public interest evolve, so to have the NEB's regulations and the expectations of our regulated companies. Management systems in particular are critical to continual improvement in pipeline safety. At their very essence, management systems document how people are to carry out the responsibilities of their position.

[*Translation*]

In 2013, we amended the National Energy Board Onshore Pipeline Regulations to clarify management systems requirements for the purpose of protecting the public, workers and the environment. The NEB expects companies to have management systems in place for the key program areas for which companies are responsible, those being: safety, pipeline integrity, security, emergency management and environmental protection.

Amendments included a requirement for companies to have a process for internal reporting of hazards, near misses and incidents. They also included new provisions holding a company's senior leadership accountable for its management system, safety culture and the achievement of outcomes related to safety and environmental protection. One thing that has remained constant is our commitment to safety. Safety continues to be our number one priority.

This brings me to the three strategic priorities we have identified to help guide our actions moving forward. First, we are going to take action on safety. We will focus our efforts and resources on developing, refining, and communicating our actions on safety and environmental protection. Using data and trend analysis, we will continue to focus, not just on preventing incidents, but on preventing industry cultures that make incidents more likely to occur. In doing this, we will demonstrate to Canadians how we hold the companies accountable, and exactly what we are holding them accountable for.

We are leaders in regulatory excellence. We are continually improving as a regulator, by reviewing and evaluating our processes. We are committed to act and to be seen as a "best-in-class" regulator—and we will demonstrate this through benchmarking and performance measurement. This will also help demonstrate to Canadians that our programs are focused on the right things and achieving the right results.

Finally, we are going to engage Canadians. Our engagement with Canadians must move beyond our application processes. This means broad engagement across the whole of Canada, including a responsive focus on regional issues. It also means more information, readily accessible by any stakeholder who wants it. We feel that by being open and transparent about the work we do, we will earn Canadians' trust that we are, in fact, doing the right things on their behalf.

● (1555)

[*English*]

Another example of how we are starting to act on our strategic priorities is by directly engaging Canadians from coast to coast to coast on safety and environmental issues, including on energy infrastructure of interest to local communities. In January, our chair, Peter Watson, began an engagement initiative, setting out to listen to Canadians' views of pipeline safety and, if necessary, adjust the NEB's practices and programs.

At the beginning of June, we will also host a pipeline safety forum in Calgary to address specific issues to improve the safety of regulated facilities. The goals of the forum will be to have an open exchange of information on technical pipeline issues, increased understanding of stakeholder concerns, and opportunities for both industry and regulators to improve safety outcomes to better protect people, property, and the environment.

The information collected from the engagement initiative and from the forum will be rolled up in a report to be released later in 2015.

[Translation]

Thank you once again for giving me the opportunity to speak to you today about the important work of the NEB. I provided an overview of the NEB and our legislated mandate. I highlighted recent changes to our legislation, as well as changes that are proposed.

[English]

Our long-term commitment requires that we continually review and improve the ways in which we do business. We welcome any measures that will strengthen our legislation and expand our tool kit to protect Canadians and the environment.

Should the bill receive royal assent, we will work hard to implement any changes in a timely manner.

We're happy to address any questions you may have. Merci.

[Translation]

The Vice-Chair (Mr. Guy Caron): Thank you very much, Ms. Touchette.

We will now move to questions from committee members, starting with Ms. Crockatt.

Ms. Crockatt, you have seven minutes.

[English]

Ms. Joan Crockatt (Calgary Centre, CPC): Thank you very much.

I want to thank the members of the NEB for being here—all Calgarians, I might add. I had quite a bit to do with the NEB when I was an energy reporter way back when, and I must say that I always found the NEB to be a very expert agency, full of professionals who are very competent in what they do.

I want to talk first about the prevention measures, because I think some people are not aware of the prevention role that you play. I want to give you an opportunity to discuss that further. Can you tell us what you do that makes sure the projects are going to take into account public safety before they occur?

Ms. Josée Touchette: I'll turn to my colleague, Mr. Timlin.

Mr. Jonathan Timlin (Director, Regulatory Approaches, National Energy Board): Thank you very much, Ms. Crockatt.

Certainly at the outset it is critically important that the project is reviewed rigorously, with the best science-based evidence, and that's what our processes are designed to do. When projects are reviewed, we make sure that the people directly affected also have the

opportunity to review the projects and ask questions of the proponent.

When a project is built, we ensure that the project is built according to all the conditions the board has set and all the relevant laws and regulations. Indeed, we undertake a number of compliance and enforcement activities as well. As Madam Touchette mentioned in her opening statement, in 2014 that included over 230 inspections, 13 emergency exercises, 19 emergency procedure manual reviews, 64 compliance meetings, 6 operational audits, and 21 report reviews.

Safety is the board's top priority. We make sure that pipeline companies are following the rules that have been set by Parliament and the rules that have been established by the board to ensure the pipelines are operating safely.

● (1600)

Ms. Joan Crockatt: How safe are Canada's pipelines?

Ms. Josée Touchette: Thank you for that question.

Pipelines in Canada are very safe. It's the NEB's job to make sure that companies are doing what it takes to keep their pipelines safe. We have very strict safety requirements at the NEB that companies must follow to operate their pipelines.

We know that when companies follow our rules and the relevant standards that identify hazards and mitigate risks, pipelines remain a safe and reliable way to transport oil and gas. These requirements touch on everything from the types of materials used to build the pipeline to the steps that must be taken to protect people and the environment.

We will take every measure to protect people and the environment. We have powerful tools to keep companies on track and prevent incidents, tools that we will use without hesitation. This could include cash fines, lowering the amount of product a company is allowed to move through their pipeline, and even shutting down a pipeline completely if necessary.

Ultimately, it's the company's responsibility to keep their pipelines safe, and the NEB holds them accountable for how well they do this.

Ms. Joan Crockatt: I love your tough talk. I think that is what Canadians are relying on you to do while making sure that you can reconcile economic development and aboriginal and local issues. That's what you're all about.

Can you give us some examples so that this might bring it closer to home for people? One of the things you've identified here is that the public may not quite understand what you do. What would be some examples of how you look at materials? You mentioned measures that you take to protect people.

Ms. Josée Touchette: Thank you.

There are several measures that we take. First and foremost, the board is an expert tribunal and is supported by expert staff. Therefore, we rely on a lot of technical data and a lot of science to be able to make the decisions that we make.

Perhaps I could turn to Dr. Steedman to give you a description of some of those examples that take place in order to make sure that we ensure the safety of pipelines.

Dr. Robert Steedman (Chief Environment Officer, National Energy Board): Thank you for that question.

The process starts with the National Energy Board's online filing manual, which is a very extensive document that sets out in great detail the information requirements that the board expects to see with an application for a new energy facility. It references in the filing manual and in the onshore pipeline regulations the Canadian Standards Association engineering standards, which are a minimum standard for materials, design, joining of pipes, and all other technical aspects of the design.

The largest section in the filing manual is on the environmental and socio-economic assessment. This section goes into great detail on the information requirements that will allow the National Energy Board to complete its environmental assessment.

Ms. Joan Crockatt: If you wouldn't mind, can you pull out a couple of specifics, such as the walls of pipelines, or specific things that you actually look at on the ground to make sure the public is protected?

Dr. Robert Steedman: Certainly, and I am a biologist, not an engineer, so I'll speak in very general terms about the materials part.

Ms. Joan Crockatt: Okay.

Dr. Robert Steedman: The Canadian standard CSA Z662 is the pipeline standard. It goes into great and specific detail about the requirements for materials, such as steel strength, toughness, etc. You need to recognize that these things will all be specific to the application that's being considered, whether it's a gas pipeline or a liquid pipeline. They all have very different requirements in terms of strength and the stresses that go on it. It will depend on the terrain that the pipe is being built on, and it will depend on things like maximum and minimum temperatures, so it's very complicated.

The bottom line is that pipes are built according to the CSA Z662 and, as is usually the case, additional requirements are imposed by a National Energy Board panel hearing an application, for example, things like the coatings that are applied after the pipes are joined. The coatings are extremely important to the longevity and safety of the pipes.

When they are built according to these standards, 50 to 60 years of experience in Canada and around the world shows that these are safe. They're pressure vessels. They will be safe. The standards and our regulations also go into great detail about how the pipes must be maintained and operated. These are complicated systems. They involve pressure and they involve ongoing maintenance.

That's an example from a materials point of view.

• (1605)

The Vice-Chair (Mr. Guy Caron): Thank you very much. We're at the end of the seven minutes, but I'm sure you'll have other opportunities to continue this thought.

Ms. Duncan, you have seven minutes.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Thank you very much.

Thank you, all three of you, for being here and allowing yourselves to be grilled. We really appreciate it. It's a complicated bill, and we're looking forward to your assistance.

I'm hoping that in Ms. Crockatt's comments she wasn't suggesting that the board should take economic development into consideration when the board is asserting its enforcement powers. I'm looking forward to your clarifying that.

Ms. Joan Crockatt: It's a consideration.

Ms. Linda Duncan: In enforcement?

When I was the chief of enforcement way back in 1988 for Environment Canada, with Treasury Board and the Department of Justice we initiated a whole policy across the board for all federal agencies that they would develop an enforcement and compliance policy and strategy, including criteria, for the use of enforcement responses. I'm wondering if the NEB has one. If so, could you please table it with us so that we can review it? You don't have to bring it right now, but you can send it to our attention, if you have one.

Ms. Josée Touchette: Certainly. Let me reiterate that as Canada's energy regulator, safety and the protection of the environment are our top priorities. In terms of the enforcement policy, I'll turn to Dr. Steedman, who can—

Ms. Linda Duncan: I have some questions I want to ask you, but right now I'm simply asking that if you do have a policy and strategy you provide it to us. I'm not asking you to outline it right now because I have some specific questions and you might want to respond according to your strategy. I only have seven minutes.

Ms. Josée Touchette: We will do that.

Ms. Linda Duncan: Thank you very much.

In going through the legislation and the amendments, I am concerned with the approach that is taken in both the legislation and the policy of the board. Despite the extensive powers granted to the National Energy Board to monitor, inspect, and enforce, the decision has been made to assign the duty to the companies themselves, or to their chosen agents, to develop and implement surveillance and monitoring programs. Apparently, self-inspections are only required every three years, so it doesn't give a lot of confidence to the communities that are experiencing pipeline breaks.

Let me give you two examples. I've personally had the opportunity of being with two communities that have experienced major NEB-regulated pipeline breaks in the last while.

One was the Wrigley case in the Northwest Territories, an Enbridge line. The NEB had not contacted the community until there was a meeting of the Dene Nation council. The chief from Wrigley went to that meeting and the NEB was there.

The chief told the story of how he was out hunting, sitting by a marsh, and for some reason a bear kept coming at him and wouldn't go away. He tried to scare the bear away, but would doze off, and the bear would come back. Finally, he decided to investigate, because of the peculiar activity of the bear. What he discovered was that there had been a spill on this Enbridge line. Initially, Enbridge said it was only about 4 barrels, but in fact it was about 1,500. The NEB did not come forward to assist this community until this man had to come to the meeting and was able to meet with them there.

That was one example. Another one is that of the Lubicon people at Little Buffalo. That was the Plains All American pipeline, where there was a spill of 28,000 barrels. I had the opportunity to go up there with the company that was doing the cleanup. It was devastating. It was the devastation of a traditional hunting and trapping area for those first nations.

My understanding is that in both cases there were defective repairs. It doesn't really give us confidence that in fact this self-inspection and self-enforcement system is working, nor does it give us confidence that the number of inspections you say are being carried out are actually capturing these incidents before disaster occurs.

I wonder if you could explain to us the relationship between your self-regulation and self-enforcement system and the actual role of the NEB in enforcing these statutes.

Ms. Josée Touchette: Thank you very much.

Let me start by saying that we maintain a proactive approach to incident prevention and we take all available actions to protect the public and the environment. I understand that Dr. Steedman has knowledge of at least one of the two incidents you're talking about, so I will turn to him to provide greater detail.

• (1610)

Dr. Robert Steedman: Thank you very much for the question and comments.

I would like to start by pointing out that the Plains midstream incident was an Alberta-regulated pipeline—

Ms. Linda Duncan: It was an Alberta one?

Dr. Robert Steedman: Yes. It was a very large spill, and otherwise as you described. I don't think that diminishes any of the concerns or learning that anyone may have, but it was not an NEB-regulated one. I think everything else, I would say, would apply anyway.

The Wrigley incident is an interesting one on the Norman Wells line that goes from the Norman Wells field down to Edmonton. It's a crude oil line from an oil field that has been in activity since the 1920s. The pipeline is from the 1980s. As I understand it and as you described it, these were not ruptures. They were pinhole leaks that, as I understand it as a biologist, turned out to have been quite a novel form of corrosion, and were initially related to the hydrostatic testing fluid that was used, which of course in northern Canada has to have antifreeze added or the water will freeze before they can complete the hydrostatic test. Typically, methanol is added, and the pipe is hydrostatically tested in sections.

My understanding so far is that there was an unusual form of corrosion initiated in certain sections of the pipe. That has been very carefully investigated and is much better understood now than it was at that time—

Ms. Linda Duncan: My concern, though, is that it was not identified by the company or the NEB.

Dr. Robert Steedman: Yes, you are quite right about that.

The NEB assigned a member to then engage the communities, and we spent a lot of time with the communities along that section. The

pipe has been repaired and all the sections of concern have either been repaired with a sleeve or cut out and replaced.

I should point out that our regulatory framework requires companies to anticipate any hazards that may apply to the facilities they operate. It requires them to prevent those through design features wherever possible and, through the management system requirements of the onshore pipeline regulations, it requires them to manage and mitigate any hazards that they can't eliminate through design.

[Translation]

The Vice-Chair (Mr. Guy Caron): Thank you very much, Mr. Steedman. The time is up.

[English]

Thank you, Ms. Duncan.

[Translation]

Mr. Regan, the floor is yours for seven minutes.

Hon. Geoff Regan (Halifax West, Lib.): Thank you very much, Mr. Chair.

My thanks also to the witnesses for joining us today. We appreciate it very much.

[English]

Let me begin by asking you if, further to your comments, you have any recommendations to amend this legislation in order to strengthen it.

Ms. Josée Touchette: Thank you for the question.

We represent the board, and therefore it's an organization that really—

Hon. Geoff Regan: Just say no. It's okay.

Ms. Josée Touchette: The answer is no.

Voices: Oh, oh!

Hon. Geoff Regan: Thank you very much.

According to the testimony we heard on Tuesday of this week from departmental officials, they said this bill would strengthen Canada's pipeline system by implementing new prevention measures, new preparedness and response measures, and new compensation measures.

With respect to the new prevention measures, what will this mean for the NEB? For instance, there have been reports that this legislation would require the NEB to increase the number of pipeline inspections by 50% and to double the number of yearly safety audits. Is that the case?

Ms. Josée Touchette: I'll turn to Mr. Timlin for the details, but let me say at the outset that the legislation contemplates a whole framework of measures and will require regulations to be passed. In terms of a lot of the detail as to how we're going to implement some of these things, this will have to come with the regulations, so that will be an ulterior process.

Mr. Timlin can probably answer your question more specifically.

Mr. Jonathan Timlin: Thank you very much, Madam Touchette and Mr. Regan.

Specifically on your question around the number of inspections and audits, the board is required to conduct 150 inspections per year and 6 audits. We surpassed that. As I mentioned earlier, in 2014 we conducted over 350 compliance activities, of which audits and inspections were included.

With respect to the earlier point you made about the important measures with respect to prevention, I would point to two key aspects of the bill that do speak to prevention quite clearly.

One is on the improvements in the bill to the damage prevention regime. On damage prevention, of course, one of the big concerns around pipeline safety is ensuring that people who are working around a pipeline know the pipeline is there and are taking appropriate measures and steps to not damage the pipeline. Of course, if there is damage to a pipeline, this could cause a rupture or an explosion. We've worked very hard to ensure that the public is aware of the requirements in the legislation around that.

The second is on audits. An audit is a very important way that we go out and work with companies to understand their management systems.

• (1615)

Hon. Geoff Regan: I guess the question is about whether that's changing, whether or not there's been—

Mr. Jonathan Timlin: The number of audits or inspections has not been mandated to increase as a result of Bill C-46.

Hon. Geoff Regan: According to the 2015-16 main estimates, funding for the regulation of pipelines, power lines, energy development, and so forth has decreased from \$81.7 million—let's say \$82 million—in 2013-14 to \$77 million in 2015-16, which is a reduction of some \$5 million, or about 6%.

Given that Bill C-46 gives the NEB a lot more responsibility and authority, I think, shouldn't your budget be increasing? It seems to me that Canadians want to see the NEB doing more of these kinds of things, not less of them, not saying, "Okay, we're mandated to do this number and that's what we're going to do, and it's not going to increase." I think one of the big problems the industry has right now is a lack of confidence in the process.

In view of this, I think the real question is, how can Canadians have confidence you'll be able to effectively carry out these new regulatory functions if the budget for energy regulation is shrinking?

Ms. Josée Touchette: Thank you for your question.

I believe what you are referring to is the fact that we have sunseting money. There's our basic budget, but then we have some sunseting funding that refers to safety, and that is set to sunset in two years from now. Our budgeted allocation for fiscal year 2014-15 was in fact \$89 million.

In terms of how we could deliver on our enhanced responsibilities that would come from Bill C-46, I would suggest that at this point it's too early to definitely say how the various measures are going to be implemented if they're passed by Parliament.

Hon. Geoff Regan: You're saying that money for safety is sunseting two years from now, and that we're not going to need as much for safety, for some particular reason, two years from now as we need now.

Ms. Josée Touchette: That is not what I'm saying. What I'm saying is that we received some temporary funding in budget 2012 for five years, and once we get there, we'll go through the normal process of appropriations and seek extensions if required.

Hon. Geoff Regan: The main estimates say that funding for the regulation of pipelines, power lines, and energy development has decreased. They say that it was \$81.7 million in 2013-14 and now will be \$76.8 million in the coming year. That's clearly a \$5-million reduction in terms of the funding for these particular purposes. You're telling me that's not correct? Because that's what's in the estimates.

Ms. Josée Touchette: I'm afraid I don't have the paragraph you're referring to, but our budget allocation for 2014-15 was \$89 million, including the two sunseting authorities that we have.

Hon. Geoff Regan: Let me put it this way. Is your funding for the regulation of pipelines, power lines, and energy development increasing or decreasing? What's going on with it? Isn't there a need for it to increase in view of all the responsibilities you have?

Ms. Josée Touchette: Currently, our budget allocation is not decreasing, and in estimating what the needs are going to be once Bill C-46 is passed—assuming that it passes, because we are not there yet—we will make sure we use the resources that are appropriated to us by Parliament in the best way possible for the safety of Canadians and the protection of the environment.

Hon. Geoff Regan: I'm going to ask a question now that's similar to the one you had a few minutes ago from Ms. Duncan. I'm looking for a written response. I'd like you to provide a written response—

[Translation]

The Vice-Chair (Mr. Guy Caron): Mr. Regan, you have 15 seconds left.

[English]

Hon. Geoff Regan: I'd like a written response to the committee outlining the number of pipeline inspections since 2005; the number of audits since 2005; the number of audits that required follow-up; the number of inspections that required follow-up; any remedial action that was taken in response to these inspections and audits; the costs associated with each audit and inspection; the total amount budgeted for audits and inspections each year since 2005; and—

Voices: Oh, oh!

Hon. Geoff Regan: Are my 15 seconds up?

• (1620)

The Vice-Chair (Mr. Guy Caron): I will allow it. Is that it?

Hon. Geoff Regan: —the number of personnel who worked on inspections and audits each year since 2005.

I can give you that in writing.

[Translation]

The Vice-Chair (Mr. Guy Caron): Thank you very much, Mr. Regan.

So our witness can provide the committee with answers in writing.

The time for questions and their answers will now be five minutes. We will start with Mrs. Perkins.

[English]

Mrs. Pat Perkins (Whitby—Oshawa, CPC): Thank you very much.

First of all, I'd like to thank you for being here and to congratulate you on the work you do that's resulted in the 99.99% safety rating on our pipelines. I know that you need to hear that from us every once in a while, because certainly the work you do is onerous, and we appreciate it.

As we move along, I know that we see different challenges and different opportunities with technology and so on. One of the things that I'm very interested in is whether or not you're proposing with respect to some of these pipelines that they introduce the technology piece into their monitoring, if you will.

For example, there's the Line 9 reversal project. I think it might still be before you; I'm not quite sure where it sits. One of the things they were talking about was having a remote location, I think in Calgary. It would be the area where they would monitor everything from, throughout the entire pipeline system, and they would have the ability to shut down the line where there was any breakage. They would go to the nearest possible valve, shut it down, and then deploy the emergency folks to the site.

That kind of technology is something that's coming along, I guess, and it's relatively new. Where does that fit into your regime of what you do? You have so many various areas. Is that part of what you would look at?

Dr. Robert Steedman: Thank you very much for that question.

When the National Energy Board is reviewing a facility application, the main requirement is that the board be convinced that the final design and construction operation of the pipeline can be done in a safe way and protects people and the environment. It is up to the company to design and operate the pipeline and to respond promptly and effectively if there are any issues.

Our engineers are fully aware of the available technologies. They're aware of emerging technologies, how reliable emerging technologies may or may not be, and how practical they are to deploy in the field in the systems that we require to be extremely reliable and to respond effectively in the event of incidents.

All the major pipelines do have centralized control rooms. All the systems, valves, and pumps and other associated telemetry for monitoring are all centrally monitored. We're very interested in how those control-room cultures work. There's been some significant learning in recent years. We've been very aggressive in pursuing and confirming through audits that these things work. We are always looking for reliability and safety.

Mrs. Pat Perkins: I appreciate that answer.

The thing I'm most interested in is the environmental piece. Is there an optimal distance for these shut-off valves? Is there an optimal distance in your regulations that you ask them to implement near environmentally sensitive areas such as rivers and that sort of thing? I know that there are some that are 17 kilometres away. Is there a move to change that and make sure that they can close them off closer than 17 kilometres?

Dr. Robert Steedman: The block valves or sectionalizing valves are a very important part of any pipeline. They are typically the main use. The most frequent use is to isolate sections of a pipeline during normal operation when maintenance is required, so the pipeline can be emptied, maintained, or repaired if that's necessary.

The best environmental protection is to keep hydrocarbons in the pipe, so the NEB has a very extensive and rigorous prevention regulatory regime, including technical oversight and inspections, audits of management systems, and various kinds of escalating enforcement that's available. That's a huge focus for us, because pipelines need to be built, operated, and maintained in a way that prevents leaks or any kinds of ruptures like that.

The design and placement of block valves is complicated. They're large. They have downsides as well as upsides. In terms of increasing the complexity of the operating system, they may impose—because they're machines—mechanics in the middle of what would normally be a welded piece of pipe. It increases some complexity and stresses, etc. We require—

• (1625)

The Vice-Chair (Mr. Guy Caron): Thank you, Mr. Steedman. We are past the five minutes now, but hopefully you'll have a chance to continue with that later.

Madam Block.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair.

Thank you for being here and for the detailed overview you've given us. With that overview, I'm sure you've probably answered more questions than we may have even have thought of.

With the number of pipelines that are either proposed or have been approved—or perhaps folks have even indicated that there's a future for additional pipelines—it's easy to believe that the review process looks the same for each one, yet we know that with each one there are different challenges. How does the NEB develop the criteria when it considers a pipeline project, and what goes into the review of each pipeline?

Ms. Josée Touchette: As I indicated in my overview, the NEB is a specialized tribunal and relies on a variety of people who have their own specialization. Therefore, each application is considered on its own merits and will be debated on its own merits. Dr. Steedman talked about how terrain is going to affect a certain application and how different conditions, whether it's the weather or the geography, etc., are going to be various considerations. There are all sorts of factors that are taken into account.

I'll turn to Dr. Steedman again to provide you perhaps more detail on what considerations are taken into account.

Dr. Robert Steedman: Thank you for the question.

I mentioned earlier the National Energy Board's online filing manual. That's where it all starts. One example of what that filing manual requires is the companies' need to go out to talk to people along the proposed route, typically a corridor that could be up to a kilometre wide. They need to engage the people who live on that corridor. This often happens years in advance, before the National Energy Board ever sees an application. They will talk to the neighbours. They will talk to aboriginal communities. They will do detailed biotechnical, geological, and other kinds of surveys over the route. The filing manual lays all this out.

In the example of engaging people who may be affected, it requires applicants to do the engagement, to hear what concerns are, and then to tell the panel that is assigned what they did in response to that feedback and how they've improved the design. That's before the application starts.

The remainder of the filing manual has greatly detailed guidance dealing with safety, environmental protection, emergency management and response, the rights and interests of landowners along a pipeline who may be affected, and how their programs will deal with those things through the full life cycle of the pipeline, from the pre-design to design and construction, which is a very busy time, and then for many decades, perhaps, afterwards. It may also include toll and tariff matters related to the financial operation of the pipeline company, etc.

This is all laid out in the filing manual. The filing manual requirements have developed over decades with the National Energy Board. They're the things that the board has learned are central to protecting people, the public, and the environment. They're the things the board needs to know for whether pipelines can be operated in a sustainable and safe way. We need to know that the companies have the capacity to look after the pipes and to respond effectively when there are incidents. We need to know that the pipe will be used and is useful because, after all, pipelines are to move energy from areas of supply to markets.

This very large document lays all that out. The 450 staff at the National Energy Board tend to focus on disciplinary aspects of that, and they all come together in an interdisciplinary way during the review of a project.

Mrs. Kelly Block: How much time do I have, Mr. Chair?

• (1630)

The Vice-Chair (Mr. Guy Caron): You have 30 seconds.

Mrs. Kelly Block: I know that when someone is interested in intervening or appearing to make an intervention when it comes to a project, they would go online and apply to be an intervenor. Is it at that point that they would see online what criteria will be used to determine whether or not a project will be approved and whether or not they actually do even want to intervene in a given case?

The Vice-Chair (Mr. Guy Caron): A brief reply, please.

Dr. Robert Steedman: Thank you.

That's initiated by project description, which is a pre-application overview of the project. We require those in order to provide Canadians with enough information to decide whether they will be interested. They need to know roughly where the pipeline will go, what the nature of the pipe is, etc.

[*Translation*]

The Vice-Chair (Mr. Guy Caron): Thank you very much, Mr. Steedman and Ms. Black.

Ms. Charlton, the floor is yours for five minutes.

[*English*]

Ms. Chris Charlton (Hamilton Mountain, NDP): Thank you very much.

Let me begin by introducing committee members and our panel to Gabrielle Guizzo, who's here with me today from Western University's Women in the House program. Since she has to suffer through my questions, I thought she ought to at least get into the committee Hansard, so please welcome her to the committee.

I have a bunch of quick questions. Let me start first of all by asking—and just a yes or no answer would be terrific for this—were you consulted on this bill by the government?

Mr. Jonathan Timlin: We provided technical advice to the government as and when requested.

Ms. Chris Charlton: Thank you.

You said in your presentation that public interest in your work is actually becoming much more active and lively in recent years. I'm not surprised by that, because I think the public's confidence has really diminished under this government because of the gutting of other environmental regulations. I won't ask you to comment on that; I know you can't.

Today Reuters reported that the government has given you one year to deliver up-to-date guidelines for pipeline companies to improve safety and protect the environment. They've asked you to study construction methods, materials, emergency plans, and new technologies.

I'm sorry, could you call Ms. Perkins to order? She's called me disgusting three times now.

The Vice-Chair (Mr. Guy Caron): Let's try to keep this civil. We have limited time. Ms. Charlton is—

Mrs. Pat Perkins: No, no, I was just accused of calling somebody something that I did not call them. On a point of order, Mr. Chairman, I did not call anybody anything. I was referring to a comment, not a person. Thank you very much.

The Vice-Chair (Mr. Guy Caron): Merci.

Ms. Chris Charlton: Nonetheless, Ms. Perkins, I had the floor.

Mrs. Pat Perkins: I would really prefer an apology before there is anything further down the road on this, because I did not call anyone anything, and I have been accused of that.

[*Translation*]

The Vice-Chair (Mr. Guy Caron): Thank you very much, Mrs. Perkins. I would prefer to keep this informal.

[English]

Mrs. Pat Perkins: I really would prefer the apology. I didn't call her anything, nor would I. Therefore, since it has been verbalized to the contrary, I really think it's necessary that it be retracted.

Ms. Chris Charlton: I'll correct the record. Ms. Perkins called my comments "disgusting" at a time when she did not have the floor, and I would appreciate an apology for that. I had the floor.

But I'll continue my questioning so that we can just get on with the five minutes.

In the story by Reuters, the deputy minister said that none of these things that you are now being asked to study are covered by Bill C-46. We have a bill before us in the House that is purportedly going to improve safety and prevention, and yet the deputy minister has acknowledged that this bill doesn't go nearly far enough, and has given you a new mandate to report back within one year and provide up-to-date guidelines.

I wonder if you can tell me what additional improvements you think there ought to be to Bill C-46, now that you have seen the new instructions from the minister.

Mr. Jonathan Timlin: Thank you very much for the question, Ms. Charlton.

As we of course said previously in a question that was raised by Mr. Regan, the board, as an expert regulatory tribunal, isn't in a position to offer opinions on whether anything should be added to the bill or not. What I can speak to is what was specifically requested by the minister. The minister, when he introduced Bill C-46, did at that time indicate that he would be seeking the advice of the National Energy Board, as is his prerogative in the act currently.

Currently in part II of the act, there is a section that allows the minister to seek advice from the board on specific matters. In this particular case, the minister indicated that he would seek advice from the board on the use of best available technologies in federally regulated pipelines. This includes materials, construction methods, and emergency response techniques. The board has indeed received a letter from the minister to that effect. We will be undertaking that study, as is required of us in the act, and we will be reporting back to the minister within the timeline the minister has established.

•(1635)

Ms. Chris Charlton: So you can't comment on why the deputy would suggest that these things are not actually within the ambit of Bill C-46? It's not a fair question to you. I suppose you can't speak for the deputy minister.

Mr. Jonathan Timlin: I certainly am not in a position to speak for the deputy minister. I would speak rather about what the deputy minister has said.... I am not aware of those comments.

Ms. Chris Charlton: That's fair enough.

Let me ask another couple of other questions. You said, in an answer to an earlier question, that the number of audits is not mandated to go up under this bill, and yet now you have an increased responsibility for, among other things, abandoned pipelines. How are you going to do that additional work on your existing resources if there is no mandate for you to undertake more inspections and more audits and to do more of the enforcement work?

Mr. Jonathan Timlin: As Madam Touchette said—and her comments really emphasized and highlighted this point—safety and environmental protection are the board's top priorities. The government has told us that we are to conduct a minimum of 6 audits and 150 inspections per year. The board looks at incident data to determine where there may be trends or issues that need to be addressed and takes any enforcement actions that it deems required to preserve the safety of the public and to protect the environment.

As Dr. Steedman also mentioned earlier, the board will never fail or hesitate to take any enforcement action that it feels is required to maintain the safety of the system and to ensure that the companies are indeed anticipating, preventing, mitigating, and managing any dangerous conditions that are associated with their pipelines.

The Vice-Chair (Mr. Guy Caron): You have about 30 seconds left.

Ms. Chris Charlton: Thank you.

In your presentation, you talked about public consultations and a broad environment of stakeholders who want to have their say and participate in the process. What we are talking about there is the need for social licence becoming really important, as important as the other licensing and regulatory framework, and how we really do need to involve communities.

Do you have adequate resources for people to participate in the public consultation process? Can you give hearing to everybody who wants to be heard? Is it a resource issue for you? Is it a timing issue? I know that you also have a very limited timeframe for—

The Vice-Chair (Mr. Guy Caron): Thank you, Ms. Charlton.

I will ask for a short reply.

Mr. Jonathan Timlin: Thank you for the question.

The board is required, under our act, to hear from anyone who is directly affected by a project. We will always do that.

The Vice-Chair (Mr. Guy Caron): Thank you very much.

[Translation]

The floor is now Mr. Leef's for five minutes.

[English]

Mr. Ryan Leef (Yukon, CPC): Thank you very much.

Thank you to our witnesses.

I was interested in one piece here in my notes that you talked about in respect to benchmarking for regulatory excellence. One of your points was to maintain the focus on the right things and to get the right results. I think the concept of benchmarking is obviously a laudable enterprise. I think it's a great way of ensuring that what you do is achieving the results that Canadians expect.

I'm wondering if you could expand a little more on how you go about benchmarking in order to find that focus on the right things and the right results.

Dr. Robert Steedman: Thank you very much for that question, a very interesting and timely one.

It could be phrased as regulatory excellence. We see other energy regulators referring to it as world-class regulatory capabilities, or best in class, so we are very interested in working and maintaining close communications with other energy regulators. Some of the energy regulators may be national, such as ourselves. There are some such as Alberta, for example, which is a very busy regulator within the context of provincial regulation. There are others such as British Columbia or Saskatchewan and others around the world as well.

We're interested in the principles that make a regulator excellent, and we're participating in some of these round robin benchmarking types of exercises. One could anticipate that there are common principles involved, such as the trust of the public, for example. It's very important for a regulator to have that, through demonstrated excellence and, in our case, the safety and reliability of the systems we regulate. We need to be fair in our public hearings and we need to be lawful in all of our activities. I think it would be looking for a common language around what excellence is. As the NEB is absolutely committed to continuous improvement, we pursue these things quite actively.

● (1640)

Mr. Ryan Leef: At the risk of baiting you into a self-promoting answer, how do you feel the NEB compares right now on all of the standards outside of just the safety standard, such as transparency, public engagement, and the like on a global perspective?

Dr. Robert Steedman: I don't suppose I can comment on that very well, as we're very early in this exercise. The NEB takes very seriously the requirement to understand and track what Canadians are looking for in terms of the public interest.

As was mentioned by Madam Touchette and the chair, this is a time of great change in Canadians' awareness and expectations, so we're working very hard to track that and to deliver on those expectations within the mandate that Parliament gives us, because we cannot go beyond that.

Mr. Ryan Leef: In your introductory remarks, which were I think very comprehensive, by the way, and thank you for that, you mentioned a term, industry "cultures". That can lead to accidents, and one of your strategic priorities is to help change those industry cultures.

Obviously you're playing an education, compliance, and—sometimes—enforcement role. Are you finding that those industry cultures in Canada are deeply imbedded? Or is it your sense that they're moving along at the pace Canadians would expect them to move in terms of wanting to achieve compliance, embracing the education you're providing them, and effectively reducing the necessity for enforcement, for an overall and ultimate safe pipeline regime in Canada?

I guess what I'm really asking is, how deeply embedded are those industry cultures? How difficult will it be to change? What's your experience with that at this point?

Ms. Josée Touchette: Thank you for that question.

You refer to something that's really important, because it's really about the values that companies hold and how they demonstrate their commitment to those values. Companies will say they value safety. We look at safety culture, obviously, but we also look, as I

mentioned in my introductory comments, at the management systems that are in place.

On the one hand, you want those values to be enunciated very clearly. On the other hand, you want to see how they are actually implemented. Management systems will cover a whole span of activities from human resources to IT to a variety of others.

[*Translation*]

The Vice-Chair (Mr. Guy Caron): The time is up.

Thank you very much. Thanks also to Mr. Leef.

I would like to ask the next questions.

Ms. Touchette, how does the National Energy Board follow up on the conditions attached to a project? On what basis are you going to impose conditions?

Let me give you an example that has been brought to our attention. It deals with Enbridge's line 9B. I do not need to hear you comment on that specific case, but I would like you to tell me about the board's powers in that particular situation.

When Enbridge requested approval, the board attached a number of conditions that had to be met before they could lay the line. One of those was for valves to be installed at each major watercourse. The request was for about 95 valves. Documents submitted to the board reported that 92 of the 95 valves were more than a kilometre apart.

I do not want you to comment on that specific situation, but what powers does the board have? How do you deal with those issues so that the conditions you have attached are met?

Ms. Josée Touchette: I am going to ask Mr. Steedman to answer that question, given its technical nature.

● (1645)

[*English*]

Dr. Robert Steedman: Thank you very much for that question.

In the approval, Enbridge, on Line 9B, had conditions attached to that approval. For two of the conditions in particular, numbers 16 and 18, the board was not satisfied with the responses that were received and studied them very carefully. In the end, the board found that the company's approach to valve placement was adequate, but the board was concerned that the company be in a position to carefully monitor and be responsive to any changes at all in the risk associated with watercourse crossings, for example, and valve placement.

The board has required the company to conduct ongoing study on the question of whether an additional batch...there were valves added to the lines, 17, I believe. The board has directed the company to study over the next year or two the facts and the risks along the line and answer the question as to whether another batch of valves is necessary to increase safety. The board has assigned a member to monitor that specifically.

That aspect of the question is not fully answered. The board will not provide leave to open that pipeline. The pipeline is not yet operating. The board would not provide leave to open until it's satisfied that all of its safety expectations are met and the pipeline can be operated safely.

[Translation]

The Vice-Chair (Mr. Guy Caron): Thank you.

Mr. Timlin, the floor is yours.

Mr. Jonathan Timlin: I would like to add something to my colleague's comment.

[English]

You mentioned as well the follow-up on non-compliances and the enforcement activities that we undertake, and I just want to assure the committee that the board does follow up on every non-compliance that we identify, whether that's with a notice of non-compliance, an inspection office order that's issued, or a board order.

In every situation, there's a corrective action plan that details the conditions that need to be followed for the company to be back into compliance. Our staff will always follow up to make sure that those conditions are being complied with.

[Translation]

The Vice-Chair (Mr. Guy Caron): Thank you very much.

I have five minutes only, so let me quickly go to a second question.

I come from Quebec. I am therefore more familiar with how the BAPE works, particularly in terms of wind farms, several of which are in my riding. In the BAPE process, projects are generally completely finalized. We know where the wind turbines will be placed, we know the route of haul roads. All the details are actually included before the BAPE starts a project.

We feel that with current projects—including energy east, of course, but that is not the only one—promoters have the option of submitting projects that don't seem to be finalized because many other factors come into play. For energy east, 9,000 new pages were added.

At the end of the day, what helps the board decide that the project is finalized and that the hearings can begin? What are the deciding factors at stake when all is said and done?

You have about 45 seconds.

Ms. Josée Touchette: Actually, there are two economies: the BAPE economy—economy in the broad sense—and the National Energy Board economy.

I will ask Mr. Steedman to add to that.

[English]

Dr. Robert Steedman: Thank you for that question.

A key aspect is that the board finds itself in a position to make a recommendation to cabinet for a major project that the project is in the public interest and that it can be built and operated safely. There's a lot of oversight and back-and-forth that continues even after a certificate of public necessity and convenience may be issued related to the final design stages, which companies must leave until after they have that major regulatory step out of the way.

[Translation]

The Vice-Chair (Mr. Guy Caron): I have to stop you now.

Thank you for your answer.

I will now turn the floor over to Ms. Crockatt for five minutes.

[English]

Ms. Joan Crockatt: Thank you very much.

We appreciate the fact that you're here and able to help us drill down further into this legislation.

I want to ask a little more about the communication aspect of your job. I think you are doing wonderful work. In particular, you have noted the now increased interest of the public in participating in all of your hearings. Can you expand for us on what you are doing to communicate to the public your role and what your findings are, etc.?

Ms. Josée Touchette: Thank you very much.

One key thing that our new chair has begun is an engagement tour with Canadians, moving from region to region in Canada to get a sense of the preoccupations Canadians may have. Obviously the country is very large and quite varied, so from one region to another there will be questions that reflect regional particularities. So far, he has been to the Atlantic provinces and to the Quebec region.

We are finding that people didn't really know what the National Energy Board's role was. This goes to Monsieur Caron's previous question: you'll rely on the processes you know and, therefore, if you're dealing with a different process, you assume that it might be or should be the same as the original process.

That is really proving to be very useful. For our being able to make determinations in the public interest, having that dialogue is extremely important.

As well, we're working very hard to have our materials available on our website and to be as user-friendly as possible, to explain all the various phases of what is in effect a technical process, a quasi-judicial process, and to make it as easy to understand as possible, so that people whose interests are at stake are able to participate effectively.

I believe Mr. Timlin wants to add something.

•(1650)

Mr. Jonathan Timlin: Ms. Crockatt, I really appreciate that question, because it speaks to something I'm very passionate about and something I had responsibility for at the board. Prior to taking this role, I was accountable for much of our outreach on application-specific issues.

I think it's really important to note, as Madam Touchette mentioned, that this is a technical review. That can seem a little bit daunting, so we strive really hard to get out to the communities that may be impacted by a project and to explain our processes. We do a number of information sessions after a proponent has provided the project description, so we get out and explain how our process works and how to participate in our projects. We provide process advisers, staff at the NEB who answer questions from the public on the process and on how to participate.

I must stress that of course aboriginal engagement is a key component of the work we do as well. We have an enhanced aboriginal engagement program that proactively seeks out aboriginal groups who may potentially be affected by a project in order to make sure they are aware that the project is going through their area. We have a participant funding program that provides funding to assist people to meaningfully participate in projects that we review. These activities are of course in addition to the broader outreach activities that Madam Touchette just mentioned.

Ms. Joan Crockatt: What do people want to know? What is their main question?

Mr. Jonathan Timlin: From a project-specific basis? The people are—

Ms. Joan Crockatt: Yes. It might be an unfair question, but I'm just wondering, when you reach out to people, what is the main thing that you hear back, the main thing they are interested in finding out from the NEB?

Mr. Jonathan Timlin: In my most recent experience in doing this, I was out in Kerrobert, Saskatchewan, not very long ago, and we met with folks who were interested in hearing about the Line 3 replacement program. The application had just come in. There were a fair number of questions around abandonment, frankly, but there were also a lot of questions around the process itself and how to participate in our processes, and also about participant funding.

We want to make sure that we're out in communities and are explaining how our processes work, and what access people can have to the process and to funding that may be available to assist them to meaningfully participate.

[Translation]

The Vice-Chair (Mr. Guy Caron): We will now move to Ms. Duncan, who will be sharing her time with Ms. Charlton.

[English]

Ms. Linda Duncan: Thank you very much.

I have a couple of quick questions.

I want to go back to the issue of self-monitoring, self-inspection, and self-enforcement. Do you not think there is an inherent conflict of interest when the company owns and operates the pipeline and hires another company to undertake that role? In order for them to

keep that contract, they are obviously not going to want to be raising a lot of issues. I know this because I follow this issue in the field.

Can you tell me if the reports that are made by this independent entity to the company are in turn turned over to the NEB, and are they made public?

Dr. Robert Steedman: The National Energy Board has inspectors out on these projects as well—

Ms. Linda Duncan: No, that's not my question.

Dr. Robert Steedman: —inspecting the inspectors.

Ms. Linda Duncan: My question is this. The legislation allows for the NEB to delegate to the company, and it does, much of the function—it's right in the statute—of monitoring, of surveillance, of monitoring serial lines, and of enforcement. They in turn can delegate to an independent company, and that is in fact what's happening with most of the lines. My question is, are those private reports that are done when these people are hired by the company also provided to you, and are they available to the public?

•(1655)

Dr. Robert Steedman: The National Energy Board, through its management system audits, would dig into those and ensure that they are done and that they are addressing the issues that need to be addressed. We will look at the qualifications of their inspectors. We look at that very carefully.

Ms. Linda Duncan: Are they made public?

Dr. Robert Steedman: Not typically—we would be investigating the files in their office.

Ms. Linda Duncan: Okay. Thank you.

One issue that we talked to the government about when they were here on Tuesday is what the criteria are and what the process is by which the board makes a determination. As I understand it, first of all, the board recommends to the minister, and then the minister recommends to the cabinet whether or not a company is financially capable of responding to a spill.

Do you have specific criteria and a process or is this going to be done by regulation? The reason I'm raising the question is that you responded to a question from somebody else previously by saying that some of these issues can't be responded to yet because they are going to be done by regulation.

I put the question to the government. A normal process now when governments are developing complex bills is that they will also simultaneously begin looking at the potential regulations, because they give substance to the bill, and then at any staffing and training that may be necessary, so that the minute the bill becomes law it is actually effective. The government told us that they haven't started doing the regulations because there is no law yet.

Is it also the case for the NEB that you haven't given thought yet to what the implementing regulations will say?

Mr. Jonathan Timlin: Thank you very much for the question, Ms. Duncan.

I think what I would do at the outset is place the bill into context of what we actually do now and of the powers we have now, because I think that's a really important starting point.

At the outset, the board would require a company that has a spill to take any measures necessary to make the pipeline safe, to clean up the mess, and to remediate the environment. That would be regardless of what it costs the company.

The bill puts in place a number of measures that would also require the company to have minimum financial resources, or what we refer to as "ability to pay", to ensure that it's able to meet its responsibilities. But the board will always require that the company be cleaning up its mess and be doing what it needs to do to make sure that the environment is protected and that people remain safe. This is really regardless of cost.

Now, you specifically asked about the provisions in the bill regarding what is referred to as the designation of a company or the designated company. There are two criteria in the bill whereby a company can be designated. The first criterion is that the company is unable to—

Ms. Linda Duncan: That's right. I'm aware of it.

Mr. Jonathan Timlin: Well, just for the edification of the committee, if the company is unable to respond financially, if it doesn't have the resources necessary to respond, or if it is unwilling to respond to board orders, in that case it is the decision of the minister to recommend to the GIC that the company be designated. The bill doesn't specifically refer to the board being a part of that process.

Ms. Linda Duncan: Okay. I misunderstood. I thought you also—

Mr. Jonathan Timlin: No, but I would add that during the implementation of this, we would want to ensure that the procedures are in place to make sure that it is very clear how the process would work, and we would work with the government as necessary to do that.

Ms. Linda Duncan: Okay. But the law doesn't provide any criteria, so my question is... That is why we're waiting for the regulations to tell us how the minister is going to decide, and based on what criteria, if the company doesn't have the money to clean up the spill.

The Vice-Chair (Mr. Guy Caron): Give a brief reply, please.

Mr. Jonathan Timlin: As I said... I don't want to deflect, but I can speak to what is in the bill, and the bill says that the minister will make the recommendation to the Governor in Council, and the board will assist in any way possible during that one year of implementation to help clarify any processes that need to be clarified.

Ms. Linda Duncan: So you agree that there's no specific criteria in the bill.

The Vice-Chair (Mr. Guy Caron): Merci.

Madam Perkins.

Mrs. Pat Perkins: Thank you, Mr. Chairman.

With respect to some of the comments that were made here, you talked about the aging infrastructure and said that most of it was put in the ground more than 30 years ago. When we speak about how this act is going to be implemented, how does it give you teeth to suggest to them that 40 years might be the maximum on the age of a pipeline? How do you determine that? Or do you? What is the process that you would undertake?

● (1700)

Ms. Josée Touchette: Let me start with a couple of general principles. Then I'll pass the *parole* to Mr. Timlin.

Regardless of the age, the same level of safety is required for all pipelines. Any damage or deterioration of protection systems has to be monitored and remediated to provide the required continued level of reliability. We know that there are pipelines that are 60 years old and doing very well, because we're monitoring and making sure that they're performing as well as a pipeline that would have been installed last year. Realistically, however, we also know that aging infrastructure will appropriately require more attention than newer pipelines, so our measures take that into account.

I'll turn it to Mr. Timlin for greater detail.

Mr. Jonathan Timlin: I'm not even sure how much I can add to Madam Touchette's comprehensive answer. As we say, we're responsible for monitoring, inspecting, and making sure the companies are complying with the requirements set out in law. Companies are ultimately responsible for—

Mrs. Pat Perkins: So you haven't really found a particular age of pipeline in use that is end-of-life? You haven't found that yet?

Mr. Jonathan Timlin: Companies need to keep their pipeline up to a state that meets the requirements.

Mrs. Pat Perkins: That's great.

The other part of the question is that there's a really relevant topic, and it's the Keystone XL. It's been approved but not yet built, as I understand it. Is that correct? They haven't started construction.

Ms. Joan Crockatt: They've done the south leg but not the north leg.

Mrs. Pat Perkins: Right. So will this new regulation have an effect on the Keystone XL?

Mr. Jonathan Timlin: Perhaps I can start by answering that question. I think Dr. Steedman would be able to agree with me that I think some elements of Keystone have begun. There has been some construction that has begun.

In addition, to your specific question, Ms. Perkins, the bill has a number of financial measures that are in place, so should the project be built before it's in operation, it will need to comply with all the different financial requirements that are in this bill.

Mrs. Pat Perkins: That's awesome.

Particularly, how would the legislation itself ensure that those who are adversely affected by a spill are adequately compensated in the event that one happened? Who figures out that compensation piece? What would be adequate?

Mr. Jonathan Timlin: Absolutely, that's a very important part of this bill. Let me speak to that just briefly, although it is a fairly long answer that I'm probably going to give.

Right now, section 75 of the National Energy Board Act requires that the companies do as little damage as possible and compensate those who are impacted by their operations. Currently there's a procedure in place in sections 84 to 88 of the act. There's a procedure for a pipeline arbitrations committee that can be established by NRCan, whereby individuals who are impacted by a spill can seek compensation. The secretariat of that committee is NRCan. It's run by NRCan, and decisions are taken there.

The bill contemplates some additional measures where a pipeline company is unable or unwilling to respond to an incident and the company is in fact designated. The bill provides for the establishment of a pipeline claims tribunal, and this again would be a decision taken by a recommendation from the minister to the GIC in regard to actually establishing this pipeline's claim tribunal.

The members of that claims tribunal would be retired judges who have a minimum of 10 years of experience as superior court judges. They would take decisions based on compensation claims brought forward by people who have incurred loss or damages as a result of the incident.

[Translation]

The Vice-Chair (Mr. Guy Caron): Thank you very much, Mrs. Perkins. Your five minutes are up.

If the committee agrees, we have the time for a last round of questions with our three speakers. We would start with Mrs. Block, followed by Ms. Charlton and, lastly, Mr. Regan.

Mrs. Block, you have five minutes.

[English]

Mrs. Kelly Block: Thank you very much, Mr. Chair.

I want to thank members of the opposition for asking to lengthen the meeting to ask questions of the NEB.

You play a very important role in the work we do as legislators when it comes to responsible resource development. I appreciate the fact that we've had you here for two hours.

I also was remiss in not introducing a young student who is shadowing me today, and that's Caroline Wu.

I recall that you had announced the potential opening of two new offices, one in Montreal and one in Vancouver. I want to give you the opportunity to let us know why you've chosen to do that and what you're hoping to accomplish by having offices in Montreal and Vancouver.

• (1705)

Ms. Josée Touchette: Thank you very much for that question.

The opening of the new offices is part of that greater engagement we are seeking with Canadians to make sure that people understand

the role of the board, and to make sure that our operations are also conducted right in the field. We're opening an office in Montreal, Quebec, and we are opening an office in Vancouver, B.C. The person who's going to be opening the office in Vancouver, B.C., is Mr. Timlin.

An hon. member: Congratulations.

Mr. Jonathan Timlin: Thank you.

Ms. Josée Touchette: Part of what he'll be doing is engaging and making sure people understand what the board does and why.

Perhaps you would like to describe how you envisage your first few weeks.

Mr. Jonathan Timlin: Yes, sure. I suspect I'll be unpacking boxes for the first week.

I mentioned earlier my passion for engaging Canadians, for helping Canadians understand our processes, and for ensuring that Canadians are aware of the work the board does on their behalf to protect the safety of the public and protect the environment. I intend to be out speaking to municipalities, community groups, first responders, people on the ground, and aboriginal groups as well, absolutely, so that I can help them understand the work we do, answer any questions, and bring any information back to the office as part of the chair's broader initiative to continuously improve the board.

The Vice-Chair (Mr. Guy Caron): You have about two minutes left.

Mrs. Kelly Block: Two minutes?

The Vice-Chair (Mr. Guy Caron): Yes. These are five-minute rounds. You can share if you wish.

Mrs. Kelly Block: Do any of you have any other questions?

Mr. Ryan Leef: Yes, we all do.

Ms. Joan Crockatt: May I?

Mrs. Kelly Block: I'll pass it over to Joan.

Ms. Joan Crockatt: Thank you very much, Mr. Chair.

I think that Canadians are very interested in hearing about Keystone XL because it's been in the news so much. I suspect this new bill will impact Keystone XL, should it ever go ahead. I'm wondering if you could please enlighten us as to how this new bill will affect that pipeline.

Mr. Jonathan Timlin: Thank you very much, Ms. Crockatt. I would be happy to answer that question.

You will know that the bill includes a provision around absolute liability. There's a \$1-billion absolute liability limit that would apply to companies operating one or more pipelines that, individually or in the aggregate, have the capacity to transport at least 250,000 barrels of oil per day. Certainly my understanding is that Keystone XL would exceed that amount, so the absolute liability limit would apply.

Indeed, other provisions in the bill would also require the company to maintain financial resources at a minimum to meet its absolute liability limit. It's the law of general application. But the provisions are quite clear: those companies that meet the threshold will have that \$1-billion absolute liability limit apply.

I would also add, because I know that it's been a point of some discussion in the media and elsewhere, that the bill provides for that \$1-billion absolute liability limit for companies that meet that threshold, but it provides for the development of regulations to establish absolute liability limits for every other pipeline company that the NEB regulates.

Ms. Joan Crockatt: Thank you very much.

• (1710)

[Translation]

The Vice-Chair (Mr. Guy Caron): Ms. Charlton, you have five minutes.

[English]

Ms. Chris Charlton: Thank you very much.

We had a bit of a discussion around social licence. so I just want to get back to public accountability and transparency for a bit. Under this bill, you have pretty broad powers to investigate an accident, and there's some latitude in how you proceed with those investigations.

It's not clear to me from reading the act what your responsibilities are with respect to making the public aware of your conclusions of those investigations and whether there's a report back to Parliament. How do you disseminate the information to the public? Will there be any criteria set by you as to when you launch an investigation? Will those criteria be public? I wonder if you could just spend a minute on that.

Mr. Jonathan Timlin: Thank you very much, Ms. Charlton.

Indeed, I'll be happy to answer that.

I listened to the testimony a couple of days ago from the officials at NRCan around investigation powers. The powers to investigate an incident exist in the act today and are not being amended as a result of this act, insofar as there's going to be one additional change. The one additional change relates to abandoned pipelines. Currently the definition of "pipeline" in the NEB Act doesn't apply to abandoned pipelines. The board's jurisdiction ends when the pipeline has been granted an order to abandon. What this bill did was look through all the different provisions of the bill where the government felt there was a need to have board oversight over abandoned pipelines and added those to the various provisions.

One provision it added the oversight function to was with respect to the ability to do investigations, so we have the ability to conduct investigations into incidents involving pipelines as defined currently under the bill, but also abandoned pipelines.

Ms. Chris Charlton: But what is the mandated reporting out of your investigations?

Mr. Jonathan Timlin: Well, there's an investigation in every incident. Every time there's an incident, there's an investigation. We work closely with the Transportation Safety Board that—

Ms. Chris Charlton: What do you report out and how?

Mr. Jonathan Timlin: On the reporting of investigations, I'm certainly aware that large investigations are reported out on our website.

Ms. Chris Charlton: Okay. So you don't report through the minister to the House in any way?

Mr. Jonathan Timlin: Our annual reports provide information as well about the work we do and the investigations we've done.

Ms. Chris Charlton: When you say that "large investigations" are reported on your website, what's your criteria for "large"?

Mr. Jonathan Timlin: I'm going to look for some assistance from Dr. Steedman, because he and I had chatted about this yesterday.

Dr. Robert Steedman: It would be normal for the board to publish the result of any safety investigation and certainly all the large ones that have been done. The Transportation Safety Board has the first right of refusal to investigate, and if they don't, then we do. Smaller ones might be aggregated into our environmental and safety protection dashboard. We now post everything online.

In one way or another, anything that's relevant to safety and improved practices would be posted. Often we may send out technical bulletins to the industry at large. If, early in an investigation, an important finding is encountered that we think is relevant to safety, we may issue a notice to companies, for example. Those are all posted on our website.

Ms. Josée Touchette: In addition, we have the annual report of the board that is made public, and as we file our departmental results report we also provide information in there on the activities that have been undertaken by the board.

Our chair, Peter Watson, wants to make sure that as much information is available online...so we are looking at improving our website to add additional information in that regard.

Ms. Chris Charlton: So it's not just a reporting of "we investigated incident X"? It will be much more detailed than that?

Ms. Josée Touchette: I can't speak right now to what it's going to look like, but it's going to be more than what there is right now.

[Translation]

The Vice-Chair (Mr. Guy Caron): You have about 30 seconds left.

[English]

Ms. Chris Charlton: Thanks. I'll ask one more question on public reporting.

Now that there's a requirement of liability coverage, either through insurance or through some other financial assurances, is that going to be reported publicly? On whether companies have it and what kind of financial assurance they have such that they can cover their liability obligations, is there any kind of public reporting out on that?

Mr. Jonathan Timlin: Again, thank you for the question.

All companies will be required to comply with the law. The law will state that they need to, for financial resources, have a minimum of whatever the applicable limit of absolute liability is. That will be something that they are required to have and, at the request of the board, they will need to demonstrate they have it.

With respect to the implementation aspect—

• (1715)

[Translation]

The Vice-Chair (Mr. Guy Caron): Thank you very much. We are really restricted by time.

Mr. Regan, you have five minutes.

[English]

Hon. Geoff Regan: Can you provide details in writing of which programs from 2012 will be sunseting in two years and how much funding is involved with each program?

Ms. Josée Touchette: Yes.

Hon. Geoff Regan: Thank you.

Has the board been having difficulty retaining its engineers, as some media reports have indicated? Is this part of the normal attrition rate or are other factors at play?

Ms. Josée Touchette: Thank you for that question.

I think it's fair to say that there has been a challenge in the Calgary market in past years. Things are getting better.

Hon. Geoff Regan: That depends on your point of view.

Ms. Josée Touchette: I was referring to engineers.

I'll ask Dr. Steedman to provide more detail.

Dr. Robert Steedman: Thank you.

Just very generally, our ability to attract engineers is very strong at the junior and intermediate levels. The market is such that it's a little harder for us to recruit them at the senior levels, but we've found ways around that. We find senior folks who may have retired from industry, have a wealth of knowledge, and are very interested in the public interest and serving the public, and we can bring them in. We're exploring ways in which we can even bring in engineers who may have retired from the public service, for a certain period of time each year. There are lots of ways to do that.

The National Energy Board's overall compensation package and the kind of workplace we are is very attractive to some kinds of people, not all the technical people in the oil patch, for example, so we're doing okay, but it is definitely more work to attract senior engineers.

Hon. Geoff Regan: Would I be right that bringing someone in on contract in the way you describe, with regard to people who have

retired from industry or who have left the department, would be more costly than having someone on staff?

Dr. Robert Steedman: Not necessarily. They may not come in on contract. They may compete or be hired as a regular employee.

Hon. Geoff Regan: We talked already today about social licence and the issue of public trust. Given new authorities that the NEB has under Bill C-46, obviously it seems to me that the public trust is even more important.

Some people are suggesting that the confidence in the NEB has been shaken lately in light of the fact that senior engineers are under investigation by their own professional association. It's been reported that the engineers in question have been looking into allegations of natural gas pipeline safety code violations. What, if anything, is the NEB doing to restore public confidence in light of this?

Ms. Josée Touchette: First, let me say that this matter is under investigation. Therefore, we're not going to be discussing the details, and certainly the NEB is cooperating fully with the professional office to make sure the investigation is under way.

Hon. Geoff Regan: I should have said that I don't expect you to comment on the investigation, but I guess the question is, what, if anything, is the NEB doing to restore public confidence?

Ms. Josée Touchette: There is confidence and our board members and staff are committed to fairness, to taking action, and to doing the right thing for Canadians, and we also have the dedication and the capacity to deliver. We recognize that there's always room for improvement. As I've talked about in my statement, we've set three priorities for ourselves to guide the NEB in the months and years ahead.

Our top priority remains safety. Our objective is to continually strive for zero incidents. To do so, we will continue to raise our performance on safety oversight. We're redoubling our efforts to reach out to Canadians, to build better understanding, and to improve trust and confidence in the NEB. Many Canadians don't know what the NEB does, so it's really a matter of explaining our role more than anything else.

Our third priority is regulatory excellence. Simply put, we're committed to evaluating and improving our own processes and activities to help ensure that we're as effective as we can be. Our chairman has frequently said this. The energy debate in Canada is complicated. It provokes strong and often polarized opinions, so never has the NEB been so clearly at the centre of public attention. We think that by focusing on the mandate that's entrusted to us by Parliament and continuously striving to be better at what we do, we will continue to deliver on our overarching responsibility to regulate in the public interest of all Canadians.

• (1720)

[Translation]

The Vice-Chair (Mr. Guy Caron): Thank you, Mr. Regan.

That brings us to the end of your appearance, Ms. Touchette, Mr. Timlin and Mr. Steedman. Thank you very much.

Next week, on Tuesday, March 31, we will have a three-hour meeting, from 3:30 p.m. to 6:30 p.m., and there will be two panels of witnesses.

We still have one item on the committee's agenda. I am going to suspend the meeting for one minute to allow the witnesses and others in attendance to leave the room, and then we will move in camera.

[Proceedings continue in camera]

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