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Chair: Mr. Raj Saini



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• (1500)

[English]

The Chair (Mr. Raj Saini (Kitchener Centre, Lib.)): Welcome, members, to the sixth meeting of the Special Committee on the Economic Relationship between Canada and the United States.

Pursuant to the motion adopted by the House on February 16, 2021, the special committee is meeting to discuss the economic relationship between Canada and the United States. As agreed, and in order to meet the timelines of the House, today will be the last meeting focusing on Line 5.

I'd like to take the opportunity to warmly greet our witnesses for our first panel: from the Government of Alberta, the Honourable Sonya Savage, Minister of Energy; from the Government of Saskatchewan, the Honourable Bronwyn Eyre, Minister of Energy and Resources; and from the Government of Ontario, Bill Walker, the associate minister of energy.

I'd really like to thank all three of you for joining us to today to help us better understand this issue.

I would like to invite the Honourable Sonya Savage to please give her opening remarks.

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

Hon. Sonya Savage (Minister of Energy, Government of Alberta): Thank you, Mr. Chairman, and thank you to the committee members for inviting me today to speak to you, along with my colleagues from Saskatchewan and Ontario, about Line 5.

This is a critical issue not only for Alberta but for all of Canada. To start with, I'm encouraged by the discussions that have been taking place in this committee here. I would like to acknowledge Minister O'Regan for the strong message that he delivered to the committee a few weeks ago that the continued operation of Line 5 is absolutely non-negotiable. On that, Alberta and the federal government agree.

I'm here today as Alberta's energy minister, a position I've served in since 2019, but I'm also very proud of my extensive experience in Alberta's oil and gas pipeline industry for 13 years. From both of these roles, I can attest to the fact that Canada's energy sector is resilient and innovative, and drives our economy. When it comes to responsible production and transportation of our natural resources, Canadians are more aligned than they are divided, and they've clearly seen this evident in this committee here.

As we continue to manage the devastating impacts of the COVID-19 pandemic, it's more important now than ever that Al-

berta and the other provinces and other governments across Canada and the U.S. work together to support a robust, sustained North American economic recovery, and that has to include oil and gas.

Alberta's energy sector supports jobs on both sides of the border and plays a vital role in maintaining a reliable North American energy system. Our integrated Canadian energy industry has a long history of developing and implementing technology, having world-leading regulatory and environmental standards, and being a stable supplier to the United States. Enbridge's Line 5 in Michigan is an excellent example of that integrated system. Connecting the Enbridge main line at Superior, Wisconsin, Line 5 is a long-standing route to move Alberta light crude and natural gas liquids to refineries in Sarnia, and supplies home heating for thousands of families in Michigan's Upper Peninsula. A shutdown would have a devastating impact on these families.

My colleagues here today, I'm sure, are going to agree that the impacts of a shutdown would be devastating for their provinces. I can tell you it certainly would devastate Alberta. A shutdown would create a bottleneck in the Midwest, negatively impacting oil prices. It would limit the flow of up to 400,000 barrels a day of Alberta oil that would have to find alternate routes. Interrupted operation of the pipeline would also impact Alberta propane producers as Michigan would have to source a more expensive, alternate supply for propane from the U.S. gulf coast or through trucking and rail from Canada.

What is possibly most concerning to Alberta, as it should be for everyone here, is the dangerous precedent that a shutdown of a safely operating pipeline would pose for future infrastructure projects. In this regard, we would strongly encourage the federal government to protect Canada's interests by invoking rights under the 1977 transit pipeline treaty. Alberta will stand firmly behind Canada in using that treaty, and we encourage Canada to take a very strong position in the upcoming Line 5 legal proceedings by way of a Canadian amicus brief.

The U.S. states are by far Alberta's largest trading partner, and Alberta and Michigan enjoy a robust trading relationship that includes energy and plastics, wood, and machinery and agricultural products. Alberta and Michigan have a strong, healthy bilateral trade relationship worth as much as \$9 billion annually in recent years. Trade in Alberta supports upwards of 45,000 Michigan jobs. That's part of the quarter of a million jobs in the state that are supported by Canada overall.

Michigan, the Michigan peninsula, Pennsylvania and Ohio are key suppliers of equipment, goods and services to the Alberta oil sands. We are good neighbours and strong business partners. Our integrated energy sector and critical trading relationships are important for jobs and economies on both sides of the border, and any actions to shut down Line 5 would threaten that relationship.

• (1505)

This is a fully regulated, fully maintained pipeline that will only be improved in years to come to ensure the ongoing safety of its operations. I believe that a reasonably sensible solution needs to be found to end this dispute.

Thank you, Chair and committee members, for your time. I look forward to your questions.

The Chair: Thank you very much.

We will proceed to the Government of Saskatchewan, with the Honourable Bronwyn Eyre, for five minutes, please.

Hon. Bronwyn Eyre (Minister of Energy and Resources, Government of Saskatchewan): Thank you very much, good afternoon and *bonjour*, Mr. Chair and committee members. I'm pleased to join you today on behalf of the Government of Saskatchewan to speak on this important issue that has a crucial bearing, not only on Canadian energy security, but North American energy security.

Enbridge Line 5 is a bricks and mortar—in this case, welded steel—manifestation, a tangible symbol, of a traditionally strong relationship, a friendship, between the United States and Canada, one we must not jeopardize.

As we know, no single political issue in recent years has been as divisive, as charged, as pipelines because no single issue has become as dominant as climate change. But pipelines produce no CO₂. They are a mere mode of transport, and yet they have become a symbol of the fight.

Project after project has been cancelled: northern gateway, which had substantial first nations support; energy east, which I'm convinced would have led to stronger national unity in Canada at a time when we needed it; and of course most recently Keystone XL, for the second time, this time by President Biden.

The more this happens, the more we cancel projects and prevent producers from getting oil to tidewater, to global markets, the more oil we have to import, including up the St. Lawrence River, from countries whose human rights records are dire. The more we'll also see strange, hyperexpensive concoctions such as the western Canadian oil that had to be transported via the Panama Canal last year just to get to a refinery on our own Atlantic east coast, the more we diminish our own energy independence.

While we wait in Saskatchewan and in the west for what we hope will be an in-service TMX pipeline someday, the only real pipeline egress for our producers is the Enbridge main line and indirectly, Enbridge Line 5, which connects to Canada from Lake Superior.

The main line, which emanates from Hardisty, Alberta, then goes cross-country and cross-border to Superior, Wisconsin, is the great spine, backbone—pick your metaphor—and the only major pipeline left for Saskatchewan oil producers. It transports 70% of our oil.

The Line 3 replacement project, I always like to point out, was accomplished—beautifully accomplished—before Bill C-69 even came along. It demonstrated that you could consult meaningfully with literally thousands of communities along the route, including first nations communities, and empower them and earn their trust, just because it made sense to do so.

But let's talk about Enbridge Line 5. I always like to use the reasonable-person-on-the-street test. If you told that person that Enbridge Line 5 and the portion that crosses the Mackinac Straits was built in 1953 to the highest engineering standards and has operated without any release incident since and that now, given heightened concerns that we all understand, Enbridge is going to spend \$500 million to build a super-tunnel of reinforced concrete that would prevent the risk of an anchor strike, protect the aquatic environment and enable high-tech inspection and maintenance going forward, I think that person would say, “sounds good to me”.

If you mentioned that Line 5 helps to generate over half the propane used in Michigan, supplies regional refineries, powers the agriculture sector and heats homes, schools, hospitals and businesses, I think that person on the street, one who isn't blinded by an irrational hatred of pipelines, would say that sounded good too, especially when they learned the new propane proposal put forward in the Michigan propane security plan is woefully inadequate.

As for Ontario and Quebec, which Line 5 and then Line 9 feed into, those provinces will speak to the importance to them of this crucial line and what their own reasonable people on the street might have to say.

As provinces, we all hope diplomacy and mediation between the Canadian and U.S. governments will work on this one. But the transit treaty signed between Canada and the U.S. in 1977 sounds pretty definitive to me. It provides, “government-to-government assurances on a reciprocal basis that pipelines carrying hydrocarbons owned by one country across the territory of the other will be free from interruptions in flow....”

I understand that we all want to make sure the environment is protected.

• (1510)

Unilaterally shutting down Line 5 strikes me as some sort of nightmare scenario dreamt up by Ayn Rand. Such a crucial means of keeping families working and warm, businesses and crucial sectors powered, and successful cross-border relationships thriving would simply be shut off.

Certainly we, in Saskatchewan, haven't always agreed with the Prime Minister's policies, most recently around the carbon tax. However, I believe that Governor Whitmer should examine how politically and ideologically akin she and the Prime Minister are, along with President Biden, even with those who spirited the green new deal.

I would ask her not to do this to her friends in Canada and her own Michiganders, to workers and their families, and to remember the strong trading relationship that Michigan has with, for one, Saskatchewan. That was worth \$109 million in exports to Michigan last year from our province, and imports into Saskatchewan from beautiful Michigan of \$137 million.

I would also ask her to keep in mind the powerful statistic that I reference a lot, speaking more globally: That if every oil- and gas-producing nation in the world extracted oil and gas the way that we do in Canada, global greenhouse gas emissions would instantly fall by one quarter.

Madam Governor, I would say we are good at this. Let's work together and not jeopardize a beautiful friendship over Enbridge Line 5.

• (1515)

[Translation]

Thank you.

[English]

The Chair: Thank you very much for those comments.

Our final opening statement of five minutes goes to the Government of Ontario and Mr. Walker.

Mr. Walker, you have the floor for five minutes, please.

Hon. Bill Walker (Associate Minister of Energy, Ministry of Energy, Northern Development and Mines, Government of Ontario): Thank you very much.

Good afternoon, Chair, vice-chairs and committee members. Thank you for allowing me the opportunity to present today.

I am pleased to be here as Ontario's associate minister of energy to speak about the importance of the Enbridge Line 5 pipeline to the people of our province, as well as our businesses and industries, and to convey just how vital this piece of energy infrastructure is to the economic, environmental and energy security of not only Ontario but also our neighbours in Quebec, Alberta and the entire Great Lakes region. Pipelines are essential to our ability to move energy from where it is produced to where it is consumed. They help pay for vital services that we depend on, such as health care and education. They create good jobs that support families and communities.

Ontario supports the development of pipelines in our province and across Canada. In particular, Ontario supports the continued safe and responsible operation of Enbridge Line 5. We were profoundly disappointed with the Governor of Michigan's decision to shut down the line in the Straits of Mackinac. This light crude oil and natural gas liquids pipeline, with a capacity of 540,000 barrels per day, has operated safely since 1953. It is a critical piece of infrastructure for Ontario's refining and petrochemical sectors, essential to businesses and communities on both sides of the border. Ontario's four refineries ensure that Ontario, Quebec, Michigan, Ohio and the entire Great Lakes region are well supplied with essential products like home heating fuels, gasoline, diesel and jet fuel. Line 5 also supplies natural gas liquids to a Sarnia facility that processes them into propane.

Simply put, Line 5 is critical to our economic, environmental and energy security. Shutting it down would jeopardize Ontario's energy supply that our people rely on daily. Without Line 5, Ontario, Quebec, Michigan, Ohio and the entire Great Lakes region would face a 45% reduction in the pipeline supply of petroleum. Enbridge estimates a shortage of 14.7 million U.S. gallons a day of gasoline, diesel and jet fuel. Our country's largest airport hub, Pearson international airport, relies on jet fuel from refineries supplied by Line 5.

Propane supply to Ontario and Michigan could be drastically reduced, causing shortages of an important heating source for large portions of rural Ontario. The implications of a Line 5 shutdown would be dramatic, impacting the fuel needs of the agricultural sector, construction, manufacturing and many other industries.

Shutting down Line 5 would also have a devastating impact on jobs in Ontario, specifically in Sarnia and the surrounding region. Sarnia-Lambton is a major hub for fuel refineries and home to a highly specialized, highly skilled workforce. Without Line 5, an estimated 4,900 direct jobs and up to 23,000 more jobs in supporting industries would be at risk. That represents one third of all jobs in the area.

Moreover, it is important to remember that pipelines are the safest way to transport essential fuels across ecologically sensitive areas like the Great Lakes. Shutting down Line 5 would increase transport by rail, marine and truck, creating additional emissions and congestion, as well as vastly increase costs for business and consumers alike. The reality is that we need Line 5, especially as our province and country recover from the devastating economic impacts of COVID-19.

That's why our government is advocating to keep Line 5 operating and why we are working with all levels of government on a united team Canada approach to resolving this issue. Premier Doug Ford has met with Governor Whitmer, after writing to her previously, to underscore Ontario's concerns about the impact of losing Line 5. In February the Minister of Energy, Northern Development and Mines, Greg Rickford, and I, along with Sarnia-Lambton MPP Bob Bailey, wrote to the federal natural resources minister to express our concerns and to encourage him to advocate for the continued operation of Line 5 with the new U.S. administration.

Last month the Ontario legislature held a take-note debate on Line 5 and passed a motion in support of the continued operation of Line 5, with the support of both the government and the official opposition. Ontario government officials continue to work with their colleagues at Natural Resources Canada and the energy ministries in Quebec, Alberta and Saskatchewan to ensure that we are all aligned on the critical importance of Line 5 to Canada's fuel supply and economy.

I understand that federal government officials have been reaching out to their U.S. counterparts. We appreciate that federal ministers have also made supportive statements about Line 5 to the U.S. administration. While we continue to encourage Michigan and Enbridge to use the ongoing mediation process to settle their dispute, we would also urge the federal government to keep all options on the table. This could include using the provisions of the 1977 treaty between Canada and the U.S. intended to protect cross-border pipelines from regional, state or local authorities interfering with or interrupting an existing pipeline network.

It's also important that the federal government work with the provinces to participate in the current U.S. federal court proceedings to ensure that Canada's interests are represented.

• (1520)

This could include filing an amicus brief in court expressing the government's support for keeping the pipeline in operation.

Ontario looks forward to continuing to work with the federal government, Enbridge and Michigan to keep the pipeline operating in accordance with the highest health and safety standards. It is our sincere hope that this issue will be resolved positively and that we'll be able to focus our efforts on economic recovery.

Thank you for your time today and for your efforts to find a solution to this issue. I look forward to any questions you may have.

The Chair: Thank you very much, Mr. Walker.

I really applaud all the witnesses. You were bang on time. I really appreciate that.

Now we will proceed to questions. For the first six minutes we have Mr. Hoback.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

I'd like to thank all the witnesses for being here this afternoon on such a very important topic, not only for Canada but for the U.S. as well.

Ms. Bronwyn Eyre, maybe I'll start off with you. You made a comment at the very end that, if the world adopted our practices,

we'd see emissions drop by 25%. How do we get that message across to fellow Canadians and Americans on just how good we are at doing this?

Hon. Bronwyn Eyre: We should do everything we can to get that message across. Minister Savage will have heard me use that stat before. I'm sure my chief of staff is tearing his hair out because he's heard me use it so many times. I think it bears repeating because it's so difficult, it seems, to be heard on that.

We are green leaders in Canada. We're amazing innovation leaders. It's miraculous, some of the true remediation that has been accomplished at sites including in, of course, Minister's Savage's province in the oil sands area. It was that statistic that was first shared with us at an energy ministers' conference. I believe it was a professor from the University of Calgary. I glommed on to it immediately because of its positive repercussions for us globally.

Mr. Randy Hoback: I find it really interesting, because a lot of times environmentalists are putting the pressure on to see the [*Technical difficulty—Editor*]. When we look at the displacement of this oil, it gets replaced by something else.

Ms. Savage, you talked about this a little bit in regard to propane. You said that, if we don't have this pipeline operating, to replace it and put it on rail just doesn't make sense. If you look at us in Saskatchewan, for example, we like to ship grain by train and oil by pipelines. That makes a lot of sense.

Ms. Savage, in regard to your comment about propane, how do you see that impacting the emissions targets that we're trying to reach? How does it impact in regard to the world as a global network if we start to see propane coming from other parts of the world instead of coming out of Alberta and Saskatchewan?

Hon. Sonya Savage: I think we know that we produce our energy at the highest environmental standards. I'll talk a little bit about some of the areas where we have led the United States by many years. In fact, in Alberta, we were the first jurisdiction in North America to put a price on carbon, and we did that over a decade ago in 2007 with our heavy emitters levy on carbon.

We have methane emission regulations where we're reducing methane emissions by 45% by 2025. We're ahead of the United States. They're looking to Canada and they're looking to Alberta on how they do this. How do they reduce their emissions like Canada has, like Alberta has? The one thing we know for sure is that, when you need energy and you can't source it from your most reliable, trusted sources, you're going to get it from somewhere else.

As I said earlier, it would probably mean they need to get propane from the U.S. gulf states, or it needs to be sourced for refining and preparing. It would have to come by rail or by truck, which, of course, increases emissions.

Mr. Randy Hoback: Mr. Walker, how does Ontario feel in regard to having the fate of the Sarnia region and the auto industry in the hands of a court in the U.S.? Isn't that a little bit more concerning? Doesn't that maybe bode well for an argument to have an all-Canadian pipeline somewhere in the future?

Hon. Bill Walker: We're very concerned, Mr. Hoback, and to all members of the committee, this is very daunting from economic, environmental and energy security standpoints. All of our lives will be drastically impacted on both sides of the border, frankly.

This is going to have huge impact on my colleague MPP Bob Bailey in Sarnia and the surrounding area, but it will impact all the way through from Alberta to Ontario, through Quebec and into the Maritimes. This is going to drastically impact all of us.

Ontario definitely wants to have a team Canada approach to ensure that we have a reliable, safe form of energy that's affordable. We're all going to be suffering, as we all are now, through COVID-19. We need the economic recovery to kick into gear to give people some relief, and this is going to play an absolutely critical part. Agriculture, construction, all industry frankly, every group in the province is going to be impacted. Our hospitals, our long-term care facilities....Everybody's impacted.

• (1525)

Mr. Randy Hoback: You talked about the 125,000 jobs [*Technical difficulty—Editor*]. When we go back to [*Technical difficulty—Editor*] that bottleneck, where does it go? What are the consequences of that?

Hon. Sonya Savage: We have been there before. We know what happens when you don't have enough pipeline capacity to move your production. Alberta was in that place in 2018-19 because we didn't have pipelines built on time. Northern gateway was vetoed. Energy east was shut down. When you don't have enough pipeline capacity to move your product, you blow out the differentials. You're selling your product at a price discount. In Alberta, that led to curtailment, which is production quotas that the government had to put in place to manage production in a very unusual way. It's the same way that OPEC countries do it.

When you are managing production and curtailing it, you're not letting the free market move properly. That leads to a loss of jobs, lower prices and a lack of investment. It disrupts the whole way that an economy is supposed to run.

Not having a way to move 400,000 barrels of oil in a pipeline is very detrimental to Alberta. We've been there. It would potentially move by rail with a higher environmental footprint or we would be back in a situation where we would have to curtail production.

The Chair: Thank you, Mr. Hoback.

We will now move to Ms. Bendayan for the next six minutes.

Ms. Rachel Bendayan (Outremont, Lib.): Thank you, Mr. Chair.

I would also like to thank all of the witnesses for appearing before our committee today on such an important issue.

Obviously, each of you were quite clear on how important Line 5 is for the various provinces that you represent. It certainly sounds like we're all on the same page. I believe a few ministers referenced Minister O'Regan's testimony before this committee and how extremely steadfast the federal government is on ensuring that we achieve a resolution on Line 5.

I would like to take a step back for just a moment to perhaps look at the broader context. We are here in this special committee that was created specifically to study Canada-U.S. relations. We are three weeks ahead of President Biden's leaders summit on climate where both Canada and the United States will be setting new, enhanced 2030 climate targets.

Minister Eyre, you mentioned in your opening remarks that we just received the Supreme Court's decision—a very important decision, I believe—not only affirming the federal government's right to price pollution, but also recognizing the existential threat of climate change.

This is certainly an important moment in history. North America is moving very quickly to a net zero future and our neighbour—Canada's largest trading partner, closest ally and friend—clearly expects to find a partner on this in Canada not only at the federal level, but I believe at all levels of government.

As we push to protect critical infrastructure like Line 5, I would like to ask each of the witnesses if you agree that our position as team Canada can only be strengthened by showcasing with concrete steps our commitment to transitioning to a new, low-carbon economy.

Hon. Sonya Savage: Do you want me to jump in first or afterward?

Ms. Rachel Bendayan: We're happy to start with you, Minister Savage. Thank you.

Hon. Sonya Savage: Thank you.

We know [*Technical difficulty—Editor*] to lower emissions. We have taken some steps in Alberta, as the first jurisdiction to have a price on pollution and to ensure that we have methane regulations.

Our oil sands, in particular, have already achieved the 21% emissions intensity reduction. Many of our producers—in fact, most of the production in the oil sands—are committed to net zero.

Getting that production to net zero will lower emissions not only for Alberta, but for all of Canada. The way we do that and the way we can get there is through carbon capture, utilization and storage. There is no pathway to net zero in Canada, in Alberta or really anywhere in the world without carbon capture, utilization and storage.

That's why we're working with the federal government on solutions for that. We are working with Minister O'Regan on how we can move forward in a very big way to get to net zero production in the oil sands in our industries. That is through carbon capture.

• (1530)

Ms. Rachel Bendayan: Minister Eyre, go ahead.

Hon. Bronwyn Eyre: I think that's where that statistic I raised earlier is so important, isn't it? We have such a strong record, as it stands, from which we can certainly build. Minister Savage referenced carbon capture and storage. I think it's also very important to recognize that leading environmentalists say that we cannot achieve the Paris targets without the enhanced oil recovery side to carbon capture and storage. We can't be selective about what kind of carbon capture and storage or utilization and storage we like if we don't include EOR. I think that's extremely important to all targets.

In terms of GHG emissions, I think one has to be clear on where we are going and how we are getting there. I mean, we should be very clear on the fact that, for example, GHG emissions have fallen radically in the United States because of the use of gas and LNG. Again, if you're selective about which things you like in order to get to the goals we all agree we must get to, that can create something of an issue.

I think in Saskatchewan we feel it is very important to build on the strengths we have and to complement traditional sectors with emerging ones—lithium, hydrogen and helium. These all build on the strengths we have. They don't turn our backs hook, line and sinker on our energy workers. We have 30,000 here in the province of Saskatchewan, with all the families that supports. We have to be very cognizant of the cost of some transitions. With hydrogen, for example, if we move to a low-carbon hydrogen economy, that will cost hundreds of billions of dollars.

Just so everyone is very clear, as we move forward on some of these areas there is a cost involved—socio-economic and also literal.

Ms. Rachel Bendayan: Mr. Walker.

Hon. Bill Walker: [*Technical difficulty—Editor*] a pleasure to be here.

I just have to re-emphasize what Minister O'Regan said: It's non-negotiable. We have to do this. This is today we're talking about for those 23,500 jobs and the Line 5 jobs that will be impacted almost immediately. I think everyone is cognizant that we have to move forward. We have to find other ways to power our economies. However, at the end of the day, Ontario has one of the cleanest out there, with our hydro and nuclear fleets, to be able to provide those emissions free....

Taking those types of jobs, and the impact of putting all of the transport of that fuel onto either trucks or even rail, adds to the environmental impacts. We are looking at things like hydrogen and small modular reactors through nuclear to enhance, again, that clean ability to provide stable, reliable energy. No one's disputing that we don't have to move. But to come in and say all of a sudden that we're just going to pull this out, with no thought process as to what the impacts will be to humans....

Let's not forget the human impact here, the lives that will be devastated and disrupted by trying to do it this quickly. I think it was Minister Eyre who suggested that to the person on the street, it would not seem practical or realistic that we would be able to do it now. We need time to be able to do that. We've been doing it for a lot of years safely. There have been no leaks. There have been no spills. Why we can't fathom that we can do another pipeline in an even more enhanced way for this very viable and effective product.... I believe we can and should and in fact must.

The Chair: Thank you, Ms. Bendayan.

[*Translation*]

Mr. Savard-Tremblay, you now have the floor for six minutes.

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Thank you, Mr. Chair.

I'd like to greet my colleagues and thank the witnesses for their time today.

My question is for the Hon. Bill Walker from the Government of Ontario.

In September 2020, your government announced investments to improve the health of the Great Lakes. At that time, your colleague the Minister of the Environment, Conservation and Parks highlighted the Great Lakes as an important component of the province's economic prosperity and community well-being. He also said that the government is committed to working with its partners and investing in projects on the ground to protect and restore water resources.

We know that the Great Lakes contain 20% of the world's fresh water and that 80% of Ontario's farmland is in the Great Lakes basin.

Based on the statement by the Minister of the Environment, Conservation and Parks, the Great Lakes are of major importance to your government. What do you think of the concerns raised by the Governor of Michigan and, for that matter, by several other groups about the impact of this Line 5 on the health of the Great Lakes? Do you think they are legitimate?

• (1535)

Hon. Bill Walker: Thank you, Mr. Savard-Tremblay.

[English]

Absolutely, I think these are legitimate concerns. We absolutely, though, have to look at this in a pragmatic, rational way. We have to have energy stability. We have to move forward, and as I've shared with you, we have to have the enhancement of hydrogen, the enhancement of more nuclear. We're refurbishing a big fleet of our energy sector right now to ensure that it's clean, affordable, reliable energy. But as I go back to this again.... This pipeline has been in existence for many years with no concern with regard to release or spills. We believe that it can continue to do that while we work on emerging into new forms of technology, new ways to be able to power our economies on both sides of the border, and frankly, we all have to do that for the next generation.

My riding is on the Great Lakes. I'm surrounded, if you look on the map. Bruce Peninsula.... We're surrounded by the Great Lakes, and absolutely, that's a concern, but so are the livelihoods of our people on both sides of the border and so is the ability to ensure that we have sustainable, reliable power for our hospitals, for our long-term care facilities and for our constituents, the people we're given the privilege to serve.

I think that we can do both of these in tandem. I think that we can protect the water. I think that we can protect the environment and protect jobs and do it all simultaneously and have a plan going forward to ensure that we have new forms of energy in the future. However, it just cannot happen overnight, quickly, as Governor Whitmer thinks it should happen today.

Thank you.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

The closure of Line 5 is far from assured, as there are several steps to take before it can be done. You [*Technical difficulties*] the Ontario Legislature that the closure of Line 5 would have an impact on everyone and that it would increase gas costs, in particular.

Has your government conducted an impact study on the increased gas costs that would result from shutting down Line 5?

[English]

Hon. Bill Walker: Again, it will have an impact on prices with regard to fuel—our jet fuel, as I mentioned in my preliminary remarks. Pearson, our biggest international hub, is going to be impacted. The cost of all goods, of transport—if you go back to shipping via truck or rail or other ways—not to mention the environmental impact—

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Mr. Walker, excuse me.

I know you feel there would be an impact, but I was wondering if your government had done an impact study on this particular issue.

[English]

Hon. Bill Walker: I believe that studies are ongoing with a number of different agencies, both through the government and some of the other trade unions and a number of other organizations.

The Ontario Chamber of Commerce has met with the Michigan Chamber of Commerce to take a look at those types of impacts and the exact forms of impact that they're going to have. I don't have that data off the top of my head, but I believe that there are a number of different studies being compiled as we speak. I trust that our federal colleagues are doing the same because, as I said earlier, this is going to impact Alberta, Ontario, Saskatchewan and Quebec. All of those are going to be studied and will show truly what the negative impact would be if the shutdown were to happen, which we certainly hope doesn't happen.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you.

So this study will be done later. This committee would like to receive it once it's completed. It might be helpful for us as we move forward.

I know your statement is based more on an observation than on a study. Still, I'd like to ask you how much of an increase in gas costs you anticipate.

[English]

Hon. Bill Walker: Again, I don't have any specific number off the top of my head, but I can tell you that it will be in the billions. When you start to factor in, again, 5,000 direct jobs and 23,500 indirect jobs just in the Sarnia region alone.... Then you start to look at the refineries across Ontario and the refineries in Quebec, the impact to Alberta and Saskatchewan. This is going to be in the billions, and the ripple effect on every single product that you're consuming is going to have an impact and be impacted if you have to go back to transporting using trucks. Again, that's not to mention the impact to the environment and the environmental costs that that will induce as well.

I don't have an exact number, but I'm certain that it will be in the many billions of dollars.

● (1540)

[Translation]

The Chair: Thank you, Mr. Savard-Tremblay.

[English]

Mr. Blaikie, you have six minutes, please.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you.

I've said it before at committee, but I think it bears repeating. I think there are two things that distinguish the issue of the Line 5 pipeline from other pipeline debates we've had recently in Canada, whether it's about the TMX pipeline or the Keystone XL pipeline.

The first is that Line 5 actually supports value-added work in the oil and gas sector in Canada by having refining done in Canada, as opposed to elsewhere, and then either imported back into Canada or sold on the international market as a finished product from outside Canada.

The second is that it represents existing production. Line 5 isn't about taking more barrels of oil out of the ground in a day than we currently do. It's not a model predicated upon expansion of our daily production; it's a model that represents what Canada is already doing.

From a climate point of view, the New Democrats are certainly of the view that we can't continue to expand our daily production and meet the kinds of greenhouse gas emission reduction targets that we have under the Paris accord in order to keep global warming effects to 1.5° C.

The Line 5 debate is different in that regard, and of course we heard some ministers today talk about some of those pipelines that are based on an expansionary model, whether it's Keystone XL or the TMX pipeline. We've also heard the argument that somehow those pipelines would then help Canadians in eastern Canada to not have to import oil from elsewhere.

It seems to me there's always a bit of a tension in this argument. TMX is a pipeline designed to get product to tidewater in order to sell on the international market. We hear proponents of TMX talk about how that's going to result in higher prices for Canadian oil and gas on the international market. Likewise with Keystone XL, it's a pipeline designed to send more product out of the country as raw material destined for refineries in the southern United States.

I'm wondering, Minister Savage, if you could speak to what you think needs to be done. Whether it's Keystone XL or TMX, those don't seem to me to be pipelines that actually have to do with supplying Canadian oil and gas to Canadian consumers. Those are pipelines that have to do with getting a higher price and making more money in the international market, not the domestic market.

Do you want to speak a little bit to that question, and how it is exactly that Canadians might expect to have more Canadian oil and gas refined and upgraded in Canada [*Technical difficulty—Editor*] over the TMX pipeline?

Hon. Sonya Savage: I think the one thing we learned very decisively last year, about this exact time last year when we had an OPEC price war, is that the movement of crude oil is global. It's global supply and global demand.

If we're not supplying the crude from Alberta, from Canada, those same refineries are going to source it from somewhere else, so with [*Technical difficulty—Editor*] would have moved 830,000 barrels a day to refineries in the gulf coast. Well, guess what? Those same refineries in the gulf coast are going to be supplied by oil. They'll just have to source it from Venezuela, Mexico, or Saudi Arabia for heavy oil supply. Each and every one of those jurisdictions don't have the ESG standards that we have in Canada, and particularly Venezuelan and Mexican heavy oil are at a much higher carbon footprint.

It's the same with refineries in Canada. They're sourcing supply from places outside Canada. You're bringing in oil that doesn't have the same environmental standards.

I think you need to look at the energy supply and demand. You look at the North American market as an integrated market, and I think that needs to be supplied from somewhere. I think that has

fundamentally hit home with Line 5 on how interdependent we are with the United States for our energy market.

Production from Alberta, I think, beats hands down production from anywhere else in the world. I think displacing it by cancelling pipelines and not supporting pipelines, trying to differentiate KXL or TMX from Line 5, is not helpful to finding solutions for climate change.

● (1545)

Mr. Daniel Blaikie: To be clear in that case, then, you're not making the argument that Keystone XL or TMX would mean more Canadian extracted oil and gas at the pump for Canadian consumers. It's an argument about feeding more Canadian oil and gas into the international supply.

That's the argument. It's not about people in Canada purchasing Canadian oil and gas; it's about more Canadian oil and gas in the international supply.

Is that a fair characterization of your position?

Hon. Sonya Savage: KXL would have provided over \$30 billion a year to the Canadian economy. That benefit, \$30 billion a year, pays for health care and education. It pays for innovation. It funds the types of innovation and technology to our industry that reduce climate change.

Mr. Daniel Blaikie: If global supply and demand continues and if it's the global market that continues to dictate what's available at the pump, it may well be that, even with a pipeline like Keystone XL, if it were to have gone ahead, Canadians would continue, in eastern Canada, for instance, to be pumping Saudi oil into their vehicles. Multinational companies and international supply and demand determine what you're buying at the pump. It has nothing to do with whether a new pipeline is built or not.

Hon. Sonya Savage: Well, Line 5 feeds Line 9, which moves oil from Sarnia to Montreal. If Line 5 were to be shut down, then refineries in Montreal, the Suncor and Valero refineries, would have to source supply either by rail or by truck from western Canada, import it from the United States by the Portland, Maine pipeline or bring it in by tanker down the St. Lawrence and bring in OPEC oil and other supply.

The point I'm making is security of supply. It's an interrelated North American energy market and, if you don't supply it from Alberta, you're going to supply it from somewhere else.

The Chair: Thank you, Mr. Blaikie.

We will now go to the second round for five minutes.

Go ahead, Ms. Alleslev, please.

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, CPC): Thank you very much.

Thank you to the witnesses.

If I understand correctly, it sounds like we're all in violent agreement that Line 5 is critical to Canada's economic and energy security by being the only major pipeline for Saskatchewan oil, with 70% of Saskatchewan oil transported by it. For Alberta we're looking at 400,000 barrels a day. It represents 53% of Ontario's crude oil and 66% of Quebec's. It's a critical supply of propane, diesel and jet fuel for eastern Canada and has many other critical economic and energy impacts. Canada is highly vulnerable and at great risk if anything happens to interrupt Line 5.

We're lucky, it seems, that at the moment the shutdown is a diplomatic decision, and therefore diplomacy might be able to solve this problem. However, it doesn't negate the fact that we're at risk if anything happens. Sometimes other forces like tornadoes or other impacts could affect this line.

I'd like to ask each of the witnesses if this should be a wake-up call. Should Canada be looking at an alternate approach that would protect Canada's energy security so that all of our eggs are not in the Line 5 basket, but that we could protect energy security in Canada for this critical resource from east to west?

Hon. Sonya Savage: I could jump in first on that. You're talking about energy east, which was cancelled by the proponent, TC Energy, in 2017. It would have had an all-Canadian route to get supply from western Canada, from Alberta and Saskatchewan, to refineries in Ontario and Quebec using an all-Canadian route. It would have used the existing TransCanada gas pipeline, converted it to oil and ensured that our supply didn't enter into the United States. It would have ensured that we weren't at risk for the United States' not letting the supply out or shutting it down.

The interesting thing is that the Enbridge main line, which was built in 1950, chose to use an American route at the time, as it was the most economical route and the easiest route to build a pipeline from an engineering perspective. It went through the United States to come back into Canada to Sarnia. Six years later, when the TransCanada main line was built, it was determined that Canada wanted an all-Canadian route to protect the security of supply. In 2017 we would have had an all-Canadian route under way called energy east. Unfortunately, that dream was cancelled.

• (1550)

Hon. Bronwyn Eyre: Yes, and it's become a diplomatic issue now, based on the very unilateral decision of Governor Whitmer of Michigan. It's now a diplomatic and legal issue.

As for energy east, I think we all know some of the difficulties around that. One would need, again, a private proponent. The pipeline would cross a number of provinces, so again, Bill C-69, the environmental assessment act, certainly would come into play. Every province involved would have to be on board, so it's not an effortless thing to overcome, but it certainly would be a desirable one.

With regard to Mr. Blaikie's point earlier about where product is going, I guess it's so important to keep in mind—with regard to Minister Savage's points—that there is a very clear export aspect to this and that price is affected for smaller and larger operators through the differential as a result of the fact that they can't get product to tidewater because it's interrelated also through exports

like potash, uranium and many commodities. It's not only a buy local, stay local sector. I think that is absolutely crucial to point out.

Obviously, energy east would be buy local, stay local, except to get to the refineries out east, but as we say, it's not as if that isn't an issue now, certainly, with the Panama Canal situation we saw last year. That was to get to a refinery out east, and the company had to use the Panama Canal to get to a refinery in its own country. It's not as if contortions aren't taking place here, and we have to address them through whichever means possible, including this issue with Line 5.

The Chair: Thank you very much, Ms. Alleslev.

The next five minutes go to Mr. Housefather, please.

Mr. Anthony Housefather: Thank you, Mr. Chair.

Thank you to the witnesses for coming today. It's always amazing to have provincial cabinet ministers join us at a committee. I really appreciate your taking the time.

I think it speaks to the multipartisan agreement that Line 5 is absolutely necessary for Canadian provinces, for our national identity, for jobs in Sarnia and across the country, and also for the economic future of Michigan, Wisconsin, Ohio, Pennsylvania and our American colleagues. It's only logical. A lot of times politics get in the way—political ideologies and political manoeuvring. I encourage all of us to remember that this is one of the cases where we all agree, so let's keep the issues that we don't agree on—perhaps some other pipelines or climate change or whatever—out of this discussion, and let's all agree on our strategy on Line 5 and how we get Line 5 to stay in place.

My questions are going to revolve around the legal strategy. I'd like to hear from all of the different witnesses. We heard from Enbridge that they would like the federal government to intervene in the court case in Michigan. I can certainly see a rationale for that, for the government to argue that the 1977 treaty and the federal jurisdiction in the United States cover the inability of Michigan to end the easement.

I would like to know, from each of the three governments, this: Have you considered intervening in the court case? Would you only do so if the federal government did? Might you do so anyway? Also, have you had any conversations directly with the executive in Michigan as a state-province relationship?

Whoever would like to can go first—west to east, east to west, whatever you prefer.

• (1555)

Hon. Bill Walker: I'm happy to jump into this one.

I think you've hit on the key here, the non-partisanship and the diplomacy. I think, again, that this has to be a team Canada approach. This has to be all of us doing what we are able to do and capable of doing and what we bring to the table.

We've spoken directly, as a province, to some of our Michigan counterparts. We've done the Ontario Chamber of Commerce to the Michigan Chamber of Commerce to try to take a look at it from that perspective.

Ms. Alleslev brought up the risk; there is a concern. The cost is of concern. Supply is going to be decreased by 45% if this is to close, which will have a huge impact. It's going to impact the environment. It's going to impact jobs, and it truly is a wake-up call. Again, I go back to this: I don't think you can shut it down just overnight without wondering what the impacts are going to be on all of those families, on all of the people who are impacted.

I believe that this is something that needs to be maintained as a team Canada approach. It's going to impact all of our country one way or the other. At the end of the day, I think that if we can all bring that diplomacy to the table to put our strengths to work collectively, we will find a way to also work collaboratively with our colleagues across the border because they are going to be impacted equally as much as we are here in Ontario and in Canada. Certainly, I think we're prepared to work collaboratively and collegially wherever we can with all of our partners to try to find a resolution.

Mr. Anthony Housefather: But intervening in a court case, Mr. Walker... Has Ontario considered intervening?

Hon. Bill Walker: I don't believe at this point that discussion has been held. I think we'll look to the federal government to lead this, but we'll certainly be there with them arm in arm, every step of the way, to do what we need to do to protect jobs and families in Ontario.

Mr. Anthony Housefather: Thank you.

Ms. Eyre.

Hon. Bronwyn Eyre: I'll just add that I believe there are only a certain number—I believe four amicus briefs—that are being filed and that are legally convenient to be filed, as per the judge's request. It's probably preferable—that's the understanding—that it be a federal government amicus brief in support...with provincial backing, obviously, which we are happy to do, in spirit and every other way, as is evidenced by our appearance here today.

The 1977 treaty is certainly an interesting one, untested so far in terms of having come up in a situation like this, but I would say pretty relevant, if you're going to look at legal, diplomatic and other arguments for why this is something that should apply to that 1977

treaty. That arose under different circumstances, but under a democratic president, in 1977, to transport oil from [*Technical difficulty—Editor*]. It's certainly an interesting historical [*Technical difficulty—Editor*].

Hon. Sonya Savage: I agree with a team Canada approach. Our government is working with the federal government, with your government, on this.

However, I think there's a whole approach here: One is, diplomacy is best. Enbridge is in mediation on the litigation, but if that mediation doesn't go well, we need to look at litigation. That's why we're working with a team Canada approach on having one amicus curiae brief filed. Obviously, the 1977 treaty is relevant and should be utilized, should we not achieve diplomacy or results in litigation.

The Chair: Thank you, Mr. Housefather.

[*Translation*]

Mr. Savard-Tremblay, you have two and a half minutes.

Mr. Simon-Pierre Savard-Tremblay: Thank you.

I'm going to come back to you, Mr. Walker.

Still on the subject of the Great Lakes, I'd like to know if you were in contact with the Michigan government on the protection of the Great Lakes even before the Line 5 dispute took place. Were there any discussions specifically related to the state of the Great Lakes?

Hon. Bill Walker: Thank you, Mr. Savard-Tremblay.

[*English*]

We, of course, share that water body. We share the health and safety of our fellow citizens on both sides of the border. There are a number of different agreements, and a number of different agencies and bodies that interact on a very regular basis. Certainly my hope here would be, as we've talked about most of this afternoon, that you will see diplomacy, you will see what [*Technical difficulty—Editor*], and we will continue to look at those agreements.

I think the treaties, the amicus ability to look at those and ask how we resolve this, how we come to the table as partners.... We are the greatest partners in the world that share borders, share water bodies. At the end of the day, I think we can come to a resolve if we take that mindset that it's about the people and we never lose sight of it—it's about the benefit and the viability of people now and in the future—and we continue to come to the table with open minds, with diplomacy, and try to work together for a resolution that can work for both sides.

• (1600)

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Since we're talking about diplomacy, I'd like to ask you how this dispute affects the relationship between your government and Michigan's.

[*English*]

Hon. Bill Walker: Like family members, I think you can have differences of opinion, but you still have to come back to the table and find a way to break bread and ensure that you can continue. We have interconnected trade in all capacities that we have to be wary of. There are families, again, who are going to be impacted on both sides of the border, whether it be jobs that are impacted, the environment or health and safety.

Again, if both sides come to the table with a willingness to look at the realities of today and what we can do to build the future collectively and collaboratively, then I believe we will come to a resolve that can suit and benefit both sides of the border and, most importantly, the people on both sides of those borders.

[*Translation*]

The Chair: Thank you, Mr. Savard-Tremblay.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Walker.

[*English*]

The Chair: Mr. Blaikie, you have two and a half minutes, please.

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

In my earlier round of questioning, I was talking about the difference between an expansionary approach in terms of more extraction per day in the oil and gas sector.

I want to talk a bit about the value-added component, because we've seen the federal government, for instance, commit to a project that is likely to cost over \$15 billion. That's the TMX pipeline. We saw the Alberta government invest considerably—billions of dollars—in Keystone XL. When we talk about trying to get more value out of the oil and gas that we extract—not in terms of price on the international market but in terms of jobs for Canadians—the obvious gap there is doing more refining and upgrading work in Canada. When we talk about that, what we hear is “oh well, that's a market decision” and that obviously there isn't a business case or companies would already be doing it, but when it comes to a pipeline, governments seem quite prepared to invest taxpayers' dollars in those kinds of projects.

I want to ask Ms. Savage what she sees. We're not just hearing this from environmentalists. We're hearing this from very serious international investors who are talking about the reality of climate

change and the importance of addressing climate change. It seems to me that in that context there is a transition away from oil and gas happening within the market itself, not just driven by governments. It's going to be important to get more value and do more value-added work in the sector for the extraction that Canada continues to do, but we don't see investment in that value-added piece.

I want to know why that is. Why is it that the Government of Alberta, for instance, is willing to support a pipeline, but we don't see an equal emphasis put—and it's the same for the federal government—on the need to do this? We've actually lost refining and upgrading capacity in Canada over the last 20 or 30 years or so, as the oil and gas industry was booming. Where is the plan to get Canadians doing more of the value-added work in the oil and gas industry?

The Chair: Minister Savage, we will have a short answer, please.

Hon. Sonya Savage: Sure.

One of our key strategies for the economic recovery strategy in Alberta is a natural gas strategy, and one of the key planks of that is value added. That's to ensure we can add value to our natural gas. That includes creating hydrogen, which of course is a lower-emitting source of energy, which the world is looking for as we look to lower sources of energy. Another important part of the value added for natural gas is petrochemicals.

We're taking a lot of steps to ensure that we get the full value added for our resources as we come out of economic recovery, so I hear you there. We want those jobs in Alberta to the extent that we can have them, to the extent that we can create that type of opportunity, and that's a key plank of our economic recovery strategy post COVID-19.

The Chair: Thank you, Mr. Blaikie.

On behalf of the committee, I really want to thank Minister Savage, Minister Eyre and Mr. Walker for taking time out of their day, spending some time with us and trying to help us focus on the importance and the advantages and disadvantages of what this discussion or this decision leads to. On behalf of the whole committee, thank you very much.

Colleagues, I want to suspend for a few minutes so that we can do the sound checks for the next panel.

• (1600) _____ (Pause) _____

• (1605)

The Chair: Welcome back.

I would also take this opportunity to welcome our witnesses, who I know will add to our discussion and, hopefully, help elucidate certain issues with Line 5. I would like to personally welcome the City of Sarnia, with Mike Bradley, mayor; the Sarnia Construction Association, with Andrew Pilat, general manager; and UA Local 663, with Scott Archer, business agent. A warm welcome to all of three of you.

We will begin with you, Mr. Bradley, for opening comments for five minutes, please.

Mr. Mike Bradley (Mayor, City of Sarnia): Thank you very much, first of all, to the committee.

I am so glad that you have provided a vehicle to us that we would not have had in the past. I hope this committee continues because, as a long-time border-city mayor, I can say that there are many issues that come and go, and they don't get the attention they need until they become too inflamed and then it's firefighting to put them out.

I do want to just make a couple of points about Sarnia. Others have spoken about it, about the industry and the value of the industry to Canada. What I'm really delighted about is that finally the industry is getting some respect. We've been the Rodney Dangerfield of industries for many years. What the petrochemical sector provides is needed in every aspect of Canadians' lives. In everything they do, they need the petrochemical sector, from the moment they get up to the moment they go to bed. That value has often been ignored, and as views on fossil fuels change.... I want to make this point to you: Sarnia is leading in the change from fossil fuels. We have the biggest ethanol plant in Canada here, the first one. We had the largest solar farm in North America here. Bioindustrial Innovation Canada, a federal agency, is located in Sarnia at Western-Sarnia-Lambton Research Park. Lambton College is number one in the country in applied research.

It's not like this community and the industry haven't said we need to change. It is still our bread and butter as an industry, and it employs a lot of people. It also is evolving and it knows it needs to get to a better place environmentally.

Where Line 5 comes into play—and it has gotten across to people—is that until we get to a better place where we think we can do more for the environment, we still need what comes through Line 5. We saw a perfect example of that two years ago with the shortage of propane in Ontario and Quebec. You know what? If a year ago I had said to you, as elected people, “You know what's going to bring this country together? It's going to be a pipeline”, you would have laughed in my face. The reality is that it has brought political parties together in a non-partisan way. It has brought Ontario and Quebec together, and that has given us the synergy to move forward on this issue.

I've been dealing with it now for two years, with very little recognition of what was going on here. Now, it's reached a point

where we have the federal government involved. I do believe there are two paths: As you all know, there's the legal one, and there's the political one. I think we should try both.

I do want to point out that \$90 billion in trade goes back and forth, over the two bridges just north of the city hall here, between Ontario and Michigan, between here and Windsor. Plus, we have the Paul Tellier CN rail tunnel, in Sarnia, the main gateway between Canada and the United States.

I do not understand the thinking behind the governor's actions. I understand the environmental issues. I've had issues with [*Technical difficulty—Editor*]. Of all the means of transportation for oil and propane and gas, they're the safest. Our record here shows that. There are 30 pipelines that come into this city, mainly from the west, and we've had very few incidents over the years. We have not had issues with Line 5, and it did have an upgrade at St. Clair just in the last year or two.

I think beyond the Line 5 issue, which you're going to hear about from the other two speakers, I'm also delighted to have the other two speakers on this panel for this reason: Sarnia was in desperate shape 30 years ago. We knew we had to change. We had to evolve. We had to work together. What we did was to bring business and labour together, and you'll see perfect examples of that in a few minutes. Business and labour work together. You want to build a new plant in Sarnia? Labour gets to vote on it; you get a guarantee of no strikes, and everyone wins from it; and never has one been turned down. There's a highly co-operative business-labour relationship. It's not that they don't have disputes on occasion, but they are together on this issue and on many other issues.

What really bothers me, as a border-city mayor, more is the damage the governor is doing to the overall relationship. Where the hell are our other economies here—agriculture and tourism—going to be when we get through COVID? Why would we not want to cooperate on some of the great initiatives? There are major tourism events that take place out of this community, and the governor—and I'll say this with respect but with disappointment—will not respond to anyone. She won't respond to a call from the Premier of Ontario. I've written more letters to the governor than St. Paul wrote to the Corinthians, and I've gotten no responses back. What really bothers me—and that's why I think this committee is such an ideal committee—is that I see other issues developing, retaliatory issues, which is terrible.

We don't want trade wars. With \$90 billion going back and forth between Michigan and Ontario here, that is the wrong direction for both places.

I do applaud everyone, from Premier Ford to the leadership of this committee. In particular the Minister of Natural Resources has kept in touch and has been very helpful as have our MP, Marilyn Gladu, and our MPP Bob Bailey, all together, despite being of different stripes.

• (1610)

Their politics happen to be wrong, in my view, but that's their right in Canada, right?

The fact is, we have to repair this relationship. I would prefer a negotiated settlement rather than a legal one, because you know what it's like when you have a legal settlement. There's always pain and bitterness after it. We need to repair that relationship. I do not understand why that governor wouldn't at least talk to the leadership in this country and say, "These were my reasons."

I would not be supporting Enbridge if it weren't for the fact that they're pledging half a billion dollars, which will be spent in Michigan and will be employing labour in Michigan to build this coverage that is needed. It is a puzzle to interpret. I don't ever like to interpret people's motives or impugn them, but I'm very puzzled. If the governor even knows the damage she has done to the relationship with border cities and with Ontario, and now Ohio.... Ohio has passed a motion objecting to the State of Michigan's position.

This is growing. I just hope we can bring it to an end, because I worry about our own economic development. We have three major refineries here and we have other groups that we're dealing with. Yes, someone said that we need more refinery capacity. We do, but will we get it here when there's this instability with Line 5? With the present situation, I highly doubt it.

I want to close by saying that I thank the committee. I do hope that as part of your mandate when we move through this issue you will stay in place to deal with the border issues and to deal with those Canada-U.S. relations issues that never go away. They go to different levels, but they never go away.

I thank you for your service on this committee. I hope we can work together to resolve this issue sooner rather than later.

The Chair: Thank you for your comments, Mayor Bradley.

I would now like to invite Mr. Pilat, general manager of the Sarnia Construction Association, to give opening comments for five minutes, please.

Mr. Andrew Pilat (General Manager, Sarnia Construction Association): I'd like to thank the committee again for affording us the opportunity to address it on Enbridge's Line 5.

I'll tell you a little about the association, just so you know. What I'm afraid of here is that you're going to hear a lot of the stuff that you've heard before, but I think it's important that we do repeat this.

The Sarnia Construction Association is a local mixed-trade association. It represents the construction industry in Lambton county. We have 68 unionized contractors—they're all union members, all union contractors—and 23 associate members or suppliers that provide construction services to the multinational petrochemical refinery companies located and operating in Sarnia's Chemical Valley. These facilities mainly produce gas, diesel, jet fuel and other related by-products that result from the refining process. We also have petrochemical plants, of course.

You've heard this number before because I heard it previously: the Chemical Valley is responsible for creating 4,900 direct jobs and another 2,400 indirect jobs in Sarnia-Lambton. Simply put, one-third of the population of Sarnia-Lambton relies on the Chemical Valley for employment. This includes our locally based, skilled manpower workforce that works in the construction industry. That

workforce is approximately 6,000 skilled tradespeople working and living in Sarnia-Lambton.

Consider this: approximately six million to seven million man-hours are generated annually in construction work in the Chemical Valley. These are highly paid, unionized, skilled tradespeople. This represents a payroll of approximately \$325 million annually. That's based on 6.5 million man-hours at \$50 an hour. These dollars are injected into not only the economy of Sarnia but also the economies of Ontario and Canada. This number simply shows payroll generated in construction.

What about all the spinoffs? Man-hours have been as high as 10 million to 15 million worked in Sarnia in the past. The Sarnia complex is very important to the industrial base of Ontario and Canada. These facilities generate wealth and, ultimately, tax dollars to governments.

The facilities that generate the wealth and, ultimately, tax dollars are three refineries located in the Sarnia region. Consider that these refineries, along with the Nanticoke refinery, produce gas, oil and jet fuel for consumption in Ontario only. Almost half the oil used in the refining process comes [*Technical difficulty—Editor*].

Should the oil [*Technical difficulty—Editor*], the impact on Ontario, central Canada and the west would be unquantifiable. To maintain these operations, oil would have to be sourced through other means. None of these means are as safe, environmentally, and as sound as the pipeline. [*Technical difficulty—Editor*] trucked, shipped or moved into the [*Technical difficulty—Editor*] disaster or explosion increases exponentially.

Enbridge has offered a solution to the Government of Michigan to reduce concern over potential environmental [*Technical difficulty—Editor*] exceptional one, and it will continue to meet the needs of our industry, including the energy needs of the midwestern [*Technical difficulty—Editor*].

Line 5 is an important economic link between Canada and the United States. Imagine what would happen if we reduced the flow of oil to our refineries by 50%. That would most likely [*Technical difficulty—Editor*] Ontario and Quebec would see significant retractions in their economies and standards of living. We believe that Enbridge has offered a safe and viable alternative to current pipelines situated on the lake-bed of Lake Michigan.

We urge Canada, the State of Michigan and the United States to work jointly to build a better and growing economy in both jurisdictions.

● (1615)

Given our concerns, we support Enbridge's Line 5 plan to build a tunnel to safely deliver oil and natural gas to Canada and the United States.

I read that, but I want to make one comment just so everybody knows...and Mike touched on this. Our association has formed a committee with labour, with the building trades, and we've been meeting not only with Enbridge but also with local, provincial and national politicians.

Our industry has support. We have the support of the Council of Ontario Construction Associations, which probably represents 37,000 or so contractors. We have the support of the Canadian Construction Association, which supports our position. We have the support of the building trades—6,000 tradespeople locally. We also have the support of the provincial building trades, which probably represents another 200,000 or so tradespeople, and we have the support of the Canadian building trades. If you total all that, we probably have 500,000 Canadian building trades supporting our position on Line 5.

This is an issue that affects everybody in the country, not just the Sarnia area. We may be what I would consider the largest industrial centre, in Ontario anyway, and Line 5 in our industrial centre affects everyone. It affects the west, where we get our gas. It affects the economies of Ontario, where people have to drive to work. It affects other provinces to the east of us.

It is very important that we look at this seriously. We need to work with Michigan; I truly believe that. I think we could find the solution. I think Enbridge has offered that solution, so I'm hoping we can get this resolved so the uncertainty is removed from the economy.

- (1620)

The Chair: Thank you for that, Mr. Pilat.

For our last witness, five minutes will go to Mr. Scott Archer, please.

Mr. Scott Archer (Business Agent, UA Local 663): Thank you, Mr. Chairman and committee members.

I'm Scott Archer, business agent of the UA Local 663 pipefitters union of Sarnia, Ontario. I represent our 1,600 local members and the nearly 6,000 family members who depend on them to provide a comfortable, middle-class lifestyle. Additionally, we're part of the UA's Canadian membership, which is 53,000 strong, and its 370,000 members across North America.

To start, I'd like to express our thanks for being afforded the opportunity to provide some insight into Line 5's vital importance to the Sarnia-Lambton area's 100,000 residents; to infrastructure, transportation and manufacturing in the provinces of Ontario, Quebec and Alberta; and to the entire midwestern U.S.

Line 5 is truly the lifeblood of the central region of North America and essentially the spinal cord of Ontario's infrastructure, supplying Alberta crude feedstock to numerous refineries throughout Ontario, Quebec, Michigan, Ohio and Pennsylvania, as well as providing fuel to major international airports in Toronto, Montreal, Quebec City and Detroit. Line 5 also supplies gasoline, propane and diesel for transportation, construction and agriculture. Additionally, over 60% of the propane used to heat Michigan's upper peninsula this past winter, which wreaked havoc upon the state of Texas and ultimately caused Governor Whitmer to declare an energy emergency in Michigan because of a feared shortage of propane. Well, that very same propane that kept the upper peninsula warm and safe was refined in and shipped from Sarnia, Ontario, facilities via Line 5. We are the solution to Governor Whitmer's problems, not the cause of them.

It's difficult for me to emphasize how important Line 5 is to our community. The city of Sarnia has grown and prospered around oil refineries since the mid-1800s, when Imperial Oil set up operations there. The city has continued to grow, along with industry, to include three refineries and numerous chemical manufacturing plants in the area, mostly fed by Line 5 and employing a full third of the city's population as well as many skilled tradespeople from all around the country during new construction projects, maintenance turnarounds and expansions. This is to the tune of \$300 million to \$500 million in revenue annually. Line 5 provides the means for working-class families to prosper and enjoy a standard of living that embodies what it is to be proud, strong Canadians.

I'm now going to present to you a long list of problems that the closure of Line 5 will present, followed by a very short list of solutions.

If Line 5 is shut down, you can guarantee the following.

There will be immediate fuel shortages at the pumps province-wide for consumers; massive increases in fuel costs, possibly up to triple according to some experts; and 800 or more additional railcars daily, creating drastic increases in rail traffic and unnecessary risks to residents and the environment. The Lac-Mégantic and Mississauga cases are painful, tragic lessons learned.

There will be 2,000 or more trucks overloading already crowded critical arteries of transportation such as Highway 402 and the Blue Water Bridge, which is second only to the Ambassador Bridge in international traffic volume, with dangerous congestion proven to cause serious traffic accidents and fatalities and with unacceptable increases in vehicle emissions.

There will be costs incurred by returning empty railcars and trucks to their point of origin. Pipelines send product without this hindrance, without increasing the carbon footprint and without the safety and environmental risk of derailment or vehicle crash.

The amount of feedstock going to refineries will also be greatly diminished, resulting in economic devastation for tens of thousands of families across Canada and the U.S.

There will be sweeping unemployment and closures across industries as diverse as oil and gas, electronics, agriculture, cosmetics, sporting goods, pharmaceuticals, automobile manufacturing and medical supplies. This is not to mention the tens of thousands of small, privately owned support businesses locally.

In short, shutting down Line 5 will effectively kill my hometown and displace its families, as it will do to many more cities and towns like it in Canada and the U.S. This is not an exaggeration; it's a cold hard fact.

In the category of solutions, we need to keep Line 5 open to support Canadian and U.S. infrastructure. There is no workable replacement for Line 5. Thirty years down the road I'm sure we'll have many more options open to us, but without a cohesive unifying national energy policy, we as Canadians are left divided and vulnerable to situations exactly like this one.

In closing, I'd like to issue a challenge to Prime Minister Trudeau and the federal government. This is a call to action. It is non-negotiable. You need to take a stand to protect Canadian families, businesses and industry.

• (1625)

Exercise your power through the transit pipelines treaty to stop this attack on Line 5—which is an attack on hard-working Canadians—in its tracks.

Thank you, Mr. Chair and committee.

The Chair: Thank you, Mr. Archer.

We will now proceed to questions.

For the first six minutes, I have Ms. Gladu, please.

Go ahead.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Thank you, Chair.

I want to warmly welcome our witnesses today and say how proud I am that we are taking a team Canada approach with all of the stakeholders working so hard: from Mr. Archer, who brought forward e-petition 3081 with over 10,000 signatures, which I was happy to present in the House, to all of you who have participated in the email and writing campaign to Governor Whitmer and also to the Prime Minister, calling on him for action.

Mayor Bradley and I have both had meetings with the natural resources minister on a number of initiatives. Our MPP, Bob Bailey, who's not here, has really raised the awareness at Queen's Park and has testified on committees in the Senate in Michigan.

It's nice to see everybody working together.

I'm going to begin my questions with you, Mr. Archer. Having brought this petition down, why did you think it was important to call on the Prime Minister to intervene?

Mr. Scott Archer: Based on the transit pipelines treaty, it seems that ultimately he's the one who has the power to stop this in its tracks.

Ms. Marilyn Gladu: Very good.

Mayor Bradley, I know that when we've had our conversations it has been great that the natural resources minister has said that Line 5 is critical to our energy and economic security. I did call on the Prime Minister to raise the issue with President Biden, which he did, but President Biden to date hasn't taken any action. Do you agree that a leader-to-leader discussion is needed and that the Prime

Minister must get President Biden to intervene to keep Line 5 open?

Mr. Mike Bradley: I'm just a humble mayor, and that's a different league from the one I'm in. My belief is that at the end of this there will either be a negotiated settlement with the State of Michigan and Enbridge and/or it will be a Biden-Prime Minister discussion. As you've indicated, I have spoken to the minister a couple of times. He has been very helpful and came out very strongly after one of our last discussions. I think that was the day he came to this committee.

It's going to reach that level if we can't solve it, but I do not want this to drag on too long. As I mentioned earlier, I'm really worried about not just the economic impact if it does close right now, but the chilling impact it's having on us in trying to get new development in here when we have a primary pipeline that's in jeopardy.

It's not in my league, but I will say this. It should be number one and at the top of the list for the Canadian Prime Minister and the Canadian government—and sooner rather than later.

• (1630)

Ms. Marilyn Gladu: Very good.

Mr. Pilat, you're a voice for the many trade unions that are working in the construction industry, and I know that you have brother and sister organizations in all of those trade organizations. Can you tell this committee what their effort has been in support of keeping Line 5 open?

Mr. Andrew Pilat: I think it's obvious that everybody realizes the importance of Line 5 to the economy, not just locally but provincially and nationally. All the organizations we liaise with—and I'm talking about the Council of Ontario Construction Associations, the Canadian construction association, the Ontario building trades and the Canadian building trades, which Scott is a part of—are in support of the Enbridge proposal to keep Line 5 open, and they're in support of the proposal that would run a tunnel underneath the lake-bed of Lake Michigan.

I think Scott mentioned this. Just think of what would happen if we cut back to 50% of our capacity. What would happen to all the cars that are running on the highways? What would happen to all of this? If people think it's safer to run oil by truck or rail or by boat, I have news for them. My view is that running oil through a pipeline is the safest way to transport it.

Ms. Marilyn Gladu: Absolutely.

Mayor Bradley, if, as some have suggested, the alternative is to use trucks, railcars and barges to transport the material that's coming down Line 5, can you describe the impact both on humans and on infrastructure that this would have on the community of Sarnia-Lambton?

Mr. Mike Bradley: First of all, keep in mind that we're the largest port on Lake Huron. We're at the centre of the Great Lakes. We're a shipping centre. Keep in mind we have the second largest rail yard in Ontario besides Toronto. We're very familiar with both, and they are both pretty helpful to our economy, but if we have a choice, as the other speakers have indicated, between rail or shipping and the pipeline, the pipeline wins every time.

A couple of weeks ago, I wrote a letter to all the mayors in Ontario in communities over 50,000. I wasn't looking for an endorsement. I just wanted to warn them that higher fuel prices are on their way and more cars, more railcars and more trucks—and less safety—are going to happen if this line closes. When you hear the overall argument from Governor Whitmer about saving the environment, you add up those factors and ask how that is helping the environment with more railcars, more barges and more ships. It just doesn't add up.

Ms. Marilyn Gladu: Do we know how much an Enbridge Line 5 shutdown would cost the city of Sarnia?

Mr. Mike Bradley: I can't answer that question. Enbridge is in the region. To be quite honest, it's the jobs that matter. Pipelines by their very nature don't pay a lot in taxes. It's the jobs, the added-value jobs. You know very well that we have the refineries here and we have a very robust industry, but then we have this massive secondary ring of suppliers who support that industry, including those 5,000 or 6,000 skilled tradespeople.

That's where the real ripple impact is on the economy, not just in Sarnia-Lambton but right across this region and right across the province.

The Chair: Thank you, Ms. Gladu.

We'll now go to Mr. McKay for six minutes, please.

Hon. John McKay (Scarborough—Guildwood, Lib.): Thank you, Chair.

Thank you to each of the witnesses.

I'd like to enter into a conversation with you, Mayor Bradley. You are a hugely successful mayor. I think it's 10 elections in a row. You've been an incumbent since 1988. As we have listened over the last few weeks to the people who have come before us, the arguments are compelling. I think I adopt Ms. Alleslev's view that we are in radical agreement. It does seem to come down to a political decision.

As a practising politician talking to other practising politicians who apparently has "written more letters to the governor than St. Paul wrote to the Corinthians"—I hope your fate is not the same fate as Saint Paul's—have you received any indication from the governor as to what her rationale might be for the internationally disruptive position she is taking?

• (1635)

Mr. Mike Bradley: Thank you. That's a very thoughtful question.

On the first part, about being one of the longest-serving mayors, I have run in every election on a simple platform: Please re-elect me until I get it right.

Hon. John McKay: I think I'll adopt that one. I like that.

Mr. Mike Bradley: Well, it's guaranteed. None of us ever get it right. There's someone else, somewhere else, doing it a lot better, whether you're an MP, a mayor or an MPP.

I can't fathom what is going on in the governor's mansion in Lansing. None of my letters have been responded to. I understand—I'm a mayor from a border city—but the Premier of Ontario calls and they won't speak. I believe the federal government has issues in trying to connect directly. That's what's so puzzling. All of us deal with people that maybe we sometimes don't want to deal with. We all deal with people that we disagree with. But we listen. As far as I know, the governor has not had....

There was apparently one side conversation about the Gordie Howe bridge with the transport minister. It was apparently very brief. Other than that, no one has been able to get to speak to the governor. You really wonder, then, about the logic of the argument if you're not willing to confront the people who do have a different point of view. I understand, too, that the consul general in Detroit has had the same sort of shutdown of access.

Going back to what I said during my remarks, does the governor not understand the damage to the ongoing relationship, whether it be the agriculture community or whether it be tourism? There's a border city relationship. I've been meeting with the Ontario border city mayors for the last year, obviously. We've been working with the federal government and talking to them about a long-term sectional reopening plan. How does that factor in when you have a governor in a state that has had horrendous increases in COVID in the last little while who won't even talk to you on another issue? That's what bothers me.

I can tell you that I've always thought highly of the governor. When she ran, I was very impressed with her skills and her ability to communicate to people. I don't think what is happening with this "I'm just not going to talk to anyone" is serving the people of Michigan very well.

Hon. John McKay: I agree with you. I've heard her interviewed, and I've admired her skill and her abilities. She certainly had some confrontation with the people who wanted to take over the legislature. I thought she handled that as well as could be handled. At one point, she was being considered for the ticket with Biden. She is immensely skilled and apparently quite intelligent, but is unable or unwilling—I guess unwilling—to talk to you or talk to the premier. The federal government is having difficulties talking to her directly. The whole thing doesn't make a lot of sense.

I want to take a sidebar here. Enbridge's reputation in Michigan maybe leaves a little bit to be desired. I think that's an understatement of understatements. What is your view, as a practising politician, as to how that plays through in this dispute?

Mr. Mike Bradley: I think there's a direct linkage.

I always make it very clear that I'm not representing Enbridge; I'm representing Sarnia and the workers here, and the people who benefit from Enbridge being here. They're big enough to take care of themselves.

But there's no question that gets thrown into the mix. I ask people to judge Line 5. I ask people to judge the half a billion dollars that's going to be spent on it. I ask them to judge the upgrades that have been made here when they didn't have to.... That's the way I'm trying to approach it.

However, I will say, the tactics have changed. In the beginning, my letters were going to Governor Whitmer...and I've had good relationships with other governors. Jim Blanchard, who was the former American ambassador to Canada, was great to deal with, and often came by the city and just said hello. We had a good relationship.

This is different, so that's why the tactics changed. Enbridge was part of that, and so were many other groups, like the agriculture groups and a number of the people that Ms. Gladu has been working with. We decided we needed to talk to Ottawa. We were not getting anywhere...any traction at all with the Governor of Michigan that appealed to friendship and trade.

By the way, in 2018, Ontario and Michigan signed an agreement to expand trade, to work closer together—all forgotten with the change in the government.

We turned to Ottawa, and I think Ottawa has been supportive, particularly in the last few weeks after the minister appeared at this committee. I think now we really are more depending on Ottawa to [*Technical difficulty—Editor*] in Lansing.

Hon. John McKay: Thank you.

• (1640)

[*Translation*]

The Chair: Mr. Savard-Tremblay, you have six minutes.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

I'd like to welcome the witnesses and thank them for their briefs.

The following question is for Mr. Pilat, a construction specialist.

Groups that oppose the project often cite environmental concerns and fear that the pipeline could fail, which would result in a hard-to-fix and extremely tragic oil spill in the strait. Objectively, in light of your construction expertise, how do you assess the likelihood that Line 5 could cause a spill of crude oil and natural gas liquids into the Straits of Mackinac between now and the completion of the Great Lakes tunnel project and once that project is completed?

That's two questions in one. Thank you.

[*English*]

Mr. Scott Archer: Would I be able to jump in for Andy for a minute on this one? I know it wasn't directed to me.

That line has been in service for almost three-quarters of a century and it hasn't leaked a drop into the Straits of Mackinac. Now, the flip side of this is that Enbridge would have had the tunnel completed within a year from now if the governor had not intervened.

I don't know where the governor's head is at in this, but the risk would have been greatly mitigated if she had not interfered with the tunnel project in the first place. Secondly, I don't see a risk with the quality control and inspection and maintenance programs that Enbridge has in place. I think we're very safe.

The Chair: Mr. Pilat, you can speak if you'd like.

Mr. Andrew Pilat: I'm sorry, I didn't hear the question. I don't know how to turn the computer on to translate for me. I'd have to hear the question again. I apologize.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Yes, I'll repeat the question.

Mr. Chair, I would ask you not to include this repetition in my time, please.

Thank you.

[*English*]

The Chair: That's fine. No problem.

Mr. Pilat, are you able to hear the translation?

Mr. Andrew Pilat: Now I am.

The Chair: You are? Okay.

[*Translation*]

Start again, Mr. Savard-Tremblay.

Mr. Simon-Pierre Savard-Tremblay: Thank you.

Groups that oppose the project often cite environmental concerns and fear that the pipeline could fail, which would result in a hard-to-fix and extremely tragic oil spill in the strait. Objectively, in light of your construction expertise, how do you assess the likelihood that Line 5 could cause a spill of crude oil and natural gas liquids into the Straits of Mackinac between now and the completion of the Great Lakes tunnel project and once that project is completed?

[*English*]

Mr. Andrew Pilat: It's difficult to speculate.

The two lines were built in the fifties and since that time there haven't been any spills in the Straits of Mackinac. Pipelines have a lot of backup systems, and I would imagine they would engineer it so there would be absolutely no spills in the tunnel. I think the tunnel is an absolute guarantee of no spills into the lake.

My understanding, and from the pictures I've seen, is that the current lines are in good shape so I don't expect any spills until the tunnel is built. The tunnel's going to be 80 feet or 100 feet below lake-bed, and it's going to be somewhere in the range of 15 feet or so. It's going to be well protected.

Again, there are backup systems. Considering all the attention Line 5 is getting, I'm sure it is going to have the best of everything to ensure it will be environmentally safe.

I hope that answers your question, sir.

• (1645)

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay: Yes. Thank you.

Given that we often look to the past and say that there have been no problems in the past 40 years, what is the average life expectancy—if you can call it that—of a pipeline?

[*English*]

Mr. Andrew Pilat: I couldn't answer that. I'm not a pipeline engineer. I'm sure they could last 100 years if they're well maintained.

I think Mike mentioned we've got 30 or so pipelines crossing the river here, and there have been no difficulties since they've been put in. Pipelines are a safe way of transporting energy. They're safer by far than trucking, barging or boating and rail. It doesn't take much to derail a train. Again, the pipeline has a lot of backup systems so if there is a spill it can be shut immediately, reducing the amount of spillage into the environment.

How long do they last? I can't tell you. Accidents do happen occasionally, but I know Enbridge and other pipeline companies have exceptional maintenance programs because of the heightened awareness of what will happen if there is a spill.

I'm not worried. I trust the people, and they have an excellent safety record as far as I'm concerned.

[*Translation*]

The Chair: Mr. Savard-Tremblay, you have 15 seconds left.

Mr. Simon-Pierre Savard-Tremblay: In 15 seconds, I'll simply thank you for your answers.

The Chair: Thank you, Mr. Savard-Tremblay.

[*English*]

We will now go to Mr. Blaikie for six minutes, please.

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

I want to begin by addressing my initial comments to Mr. Archer, who had raised the importance of having some kind of cohesive energy strategy for Canada, which is not a position that we currently find ourselves in. Obviously, there's a tension between the very expansionary type of posture that Canada has had towards oil and gas development over the last number of decades and Canada's meeting its greenhouse gas reduction emission targets under the Paris accord.

As previous witnesses quite rightly pointed out, even if we're successful in reducing emissions in transportation; even if we're successful, to some extent, in reducing the emissions that are the re-

sult of extraction; and even if we're successful in reducing our emissions for power generation, for instance, there's still going to be a demand for oil and gas. The petrochemical industry is an obvious example of that. Electronics are everywhere, and every year it seems they get further and further integrated into our lifestyles. It's a product that there's going to continue to be a demand for.

The question is, how do we have a sustainable industry, both environmentally and from an economic point of view? The boom-bust cycle of the oil and gas industry in Canada has been hard on Canadian workers who plan their lives around a career and then find that the market goes into a different phase. Suddenly, the things they thought they could depend on aren't there for them anymore.

It seems to me that the obvious answer to that is some kind of strategy, but even earlier, what we heard [*Technical difficulty—Editor*] continuing to talk about simply needing to let the international oil and gas market do what it does, with no real indication of what I would call a meaningful strategy for how to have both an environmentally and economically sustainable future.

I wonder, Mr. Archer, if you want to speak a little bit more to that question of having a strategy, what that means in terms of government involvement in the industry and what that means in terms of expectations of private players within the industry to put what may well be a somewhat smaller industry on a sturdier footing for the kind of demand that may persist past when we're able to use renewable energy for heating and transportation.

Mr. Scott Archer: Thanks, Mr. Blaikie.

As far as differentiating between pipelines, I don't think that's a great plan. My hometown is where the first oil refinery in North America was. The very first Imperial Oil facility was built here.

We've all taken a beating lately due to, basically, the pressure that's been put on the oil industry, and really, we need to loosen the reins up on that. Energy east would be a fantastic plan to get Alberta crude to our east coast refineries. It would get Alberta back on its feet. It would get the east coast using Canadian oil in Canadian refineries.

As far as Keystone XL or any other pipeline that is used to transport Canadian oil to the States, how can it be a bad thing to get our oil industry back up and running, to bring billions in revenue back into Canada? Let's face it—the oil that the Americans use, or any oil that would be shipped offshore, is just going to come from someplace else. It's going to come from the Saudis. It's oil that's going to be consumed, and it's like we're punishing oil and gas workers for being oil and gas workers. There's no benefit to preventing our oil industry from thriving, right?

• (1650)

Mr. Daniel Blaikie: Sure. I mean, I'd open up the question to other witnesses who may want to talk about what a strategy looks like. I think that as Canada tries to meet its climate change targets, an unlimited expansion of fossil fuel extraction is not going to be compatible with that.

One thing we can do is try to get more value out of every barrel extracted in Canada. That means doing more of the kind of work that's done in Sarnia, with respect to refining, upgrading and actually specializing in taking that raw product and creating Canadian jobs in the market of value-added work, and creating value-added products.

I'm wondering if any of our other witnesses might want to speak to the potential of that. It's something that I think differentiates Line 5, not just because it's already an existing pipeline but also because of this potential for value-added work from projects like Keystone XL and the TMX pipeline.

Mr. Mike Bradley: Mr. Blaikie, that's exactly what we're trying to do here in Sarnia. It's critically important we recognize that things are changing very rapidly. That's why we have Bioindustrial Innovation Canada. We've approved a number of projects that are now being developed on the former Dow site, which was a major industrial place.

We have looked at other things. We are now focusing on hydrogen. I'm really pleased to see that the federal and Ontario governments—and I believe the Alberta government—are now looking at hydrogen seriously. We looked at it as a community 10 years ago and we couldn't make it work economically. Now we're manufacturing hydrogen here. The local college is developing probably 10 to 15 hydrogen-based projects on the research side.

I know exactly what you're trying to get to, which is that no one's really pulling it all together and saying that we can advance in this area. I tell people in this community.... I've been unpopular at times because I said we've got to change, instead of standing up and saying that we're not going to change—you need to change—so just leave us alone.

The reality is that if we don't change, we'll be dinosaurs. We have the opportunity going into hydrogen. Even Line 5 has reminded us of the value of fossil fuels and also how we can start to look—and need to continue to look—to find other ways with added value, instead of shipping it to the United States.

To me, added value in Canada is the key.

The Chair: Thank you, Mr. Blaikie.

We will now start our second round with Ms. Gladu for five minutes, please.

Ms. Marilyn Gladu: Thank you, Chair.

Mayor Bradley, I just wanted to correct the record. I know you said that Premier Ford couldn't get a call with Governor Whitmer, but we heard testimony earlier today at committee from Associate Minister Walker that in fact he did get a call. That's good, but I do know that Minister O'Regan has been very frustrated that he cannot get a call and that many cannot.

[*Translation*]

I have another question.

If Line 5 is shut down, what will that affect agriculture and rural people in our riding?

• (1655)

[*English*]

Mr. Mike Bradley: First of all, if I'd known Premier Ford had gotten through, I would have asked him to ask the good governor to write back to me. I'm feeling very isolated and lonely. I'm not getting any responses to my many letters.

There will be huge ramifications. I welcome the Lambton Federation of Agriculture and the Ontario one, which have jumped in big time. We saw that two years ago with the shortage of propane. It had a devastating impact and almost closed down the industry at one point.

I think it is marvellous in the sense that this event has had a cross-industry sector impact. That's what brought us all together to fight back and say that we'll work our way through this and negotiate a settlement.

Yes, there's no question that there will be a significant impact on Ontario and on Quebec agriculture.

Ms. Marilyn Gladu: Enbridge has suggested that the federal government should submit an amicus brief of support when the matter is heard, to try to get it heard at the federal level and to consider filing suit of treaty violation if Governor Whitmer doesn't rescind her executive order.

Do you agree that these actions are important? What else do you think the government should do to impact this issue?

Mr. Mike Bradley: I'm not a lawyer, but I will say that, from what I understand, it would be the right decision for federal government to make when they're ready. It's a question of timing, too. There's the political front and there's the legal front. It's a question of how you want to touch both levers.

I would support the federal government. I think the community would, if they go forward in the legal challenge. Again, time is the issue. The longer we're having this debate and the longer this continues, the more damage it's doing to the Canadian economy and to potential investment in this province and this country.

Ms. Marilyn Gladu: Absolutely.

Mr. Pilat, what would your final comments be if you could tell the Prime Minister what you'd like him to do?

Mr. Andrew Pilat: I agree that we're far better off with a negotiated settlement than we would be with a legal settlement. I would like the Prime Minister, if he could, to talk to Governor Whitmer, and again to President Biden, and just stress the urgency of this matter, the importance of it. We are literally talking about ripping the legs out of our economy in central Canada and, let's face it, in many of the midwestern states.

We have to proceed urgently on this matter. It is important that we get it resolved.

I always feel that a negotiated settlement is better than a legal one, but if we have to go the legal route, we go the legal route.

The governor should be aware of that. I am quite surprised that she hasn't felt the pressure from the surrounding states that are dependent on the fuel that comes out of Line 5. It goes back and forth across the border. The oil that comes through Line 5 goes down to the Toledo refinery that supplies all of the jet fuel for the international airport in Detroit. Line 5 supplies all the jet fuel that goes to the Toronto—

Ms. Marilyn Gladu: All right, I don't have very much more time.

The Chair: You have 20 seconds.

Ms. Marilyn Gladu: I want to give Mr. Archer a final comment.

What would you have the federal government or the Prime Minister, do?

Mr. Scott Archer: Spring into action, basically. The Prime Minister, needs to deal directly with President Biden. I don't feel that we can trust the courts with this. It's a giant issue, and if it's not resolved, it is going to destroy this town, without a doubt.

Ms. Marilyn Gladu: Thank you.

The Chair: We'll now go to Mrs. Romanado, for five minutes, please.

Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.): Thank you very much, Mr. Chair.

I'd like to thank the witnesses for being with us today. There are some elements that are always brought forward at these committees that we may not have heard.

One thing I want to clarify, to make sure it's on the record, is that this committee, over the last six meetings, has heard from various witnesses, and we have not heard once anyone say that this is a good idea to close down Line 5.

The representatives from Michigan were invited to this committee for us to hear their side—the question of why they are going this route—and they declined. This committee has been trying to make sure that we have all of the information so we can do a proper assessment of the situation.

I understand that the Attorney General of Ohio filed an amicus brief back on March 19. Louisiana is also in agreement that this is a bad idea. We've heard from pretty much everyone.

I didn't have a chance to talk to the provincial representatives in the previous panel, but I want to check in with Mayor Bradley.

You talked to us about the importance...and the impact this would have on Sarnia. You mentioned that you've written to all the mayors in Ontario. One thing I haven't heard yet is whether anyone has had conversations with their counterparts across the provinces.

Mayor Bradley, for instance, have you had a chance to speak to Mayor Valérie Plante in Montreal, given the fact that Line 9, which is directly connected to Line 5, goes to the Suncor refinery in east-end Montreal and 66% of the supply to Quebec flows through that. Have you had a chance to reach out to the mayor of Montreal to see if there is an opportunity to have a joint front on this?

Could you elaborate on some of the efforts you've made across the provinces versus strictly in Ontario?

• (1700)

Mr. Mike Bradley: That's an excellent question. No, I have not. I'm not diminishing my role as mayor, but I have me and one assistant, and trying to have the resources to reach out and do things is very difficult. I'm very grateful that I have support in the community, which has helped carry that burden forward.

However, that is an excellent suggestion. Just as we are tied in so deeply to the west, we are tied deeply into Montreal. In fact, at one point in time we had a great movement of people between Montreal and Sarnia. There are strong roots here to this day, through Imperial Oil.

I will follow up on that. I should have done that, but I didn't do it. That is a good suggestion and I will follow up immediately tomorrow.

Mrs. Sherry Romanado: Thank you.

I think it would be helpful for folks in Quebec to realize the impact this will have, not only for folks in Ontario and western Canada, but also in Quebec.

Mr. Archer, I know my colleague Marilyn, who has talked my ear off about this issue, is absolutely an advocate with respect to what's going on with Line 5. She tabled this petition in the House back on, I believe, March 10. A response is forthcoming.

Can you talk a little about additional advocacy efforts that you've made in terms of making sure that folks know about the impacts of a closure of Line 5?

Mr. Scott Archer: Yes. Thank you.

I've done interviews with the Financial Post, Global News, CTV, CBC, both our regional one out of Windsor and our national program out of Alberta. We've done interviews with every media outlet where I could get someone to answer a phone call or an email.

Mrs. Sherry Romanado: I know I only have about 45 seconds remaining. I believe this is our last meeting regarding Line 5, so are there any other points you'd like to get on the record so we can make sure we include them in our deliberations?

Mr. Mike Bradley: I could make a point.

The former governor of Michigan approved this pipeline and negotiated the deal. The federal regulatory agency in Michigan approved this deal. What the governor is doing—and it's a big issue in the States—is interfering in the role of the federal government. I know that never happens in Canada, but it does happen in the U.S. I think that's the key point. Keep on hammering home that it's illegal and it's important that we get our relationship in general back in shape. That's the big issue for me. It's beyond Line 5; it's the Canada-U.S. relationship.

Mrs. Sherry Romanado: Thank you very much.

The Chair: Thank you, Ms. Romanado.

[*Translation*]

Mr. Savard-Tremblay, you have two and a half minutes.

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Chair.

My questions are for Mr. Archer.

Mr. Archer, since you've already started to answer my question to construction association representative, I'd like to ask you the same questions. You may have another perspective on the average life of a pipeline. It seems to me it's supposed to be at least 20 years.

What's the life expectancy of the pipeline we're talking about now?

• (1705)

[*English*]

Mr. Scott Archer: Thank you. That's a good question.

There are many pipelines in service that are of the same vintage as Line 5. A lot of them will outlast you and me, especially due to, in more recent years, the increased quality control and the increased inspection programs, especially through pegging programs. They run smart pegs through the lines so they can do internal inspections over great distances in extreme detail. The technology has helped greatly. That alone can extend the life of the pipelines substantially.

Additionally, they are also constantly monitoring and testing, Enbridge in particular. I know from experience. Before I was in this office, I ran several pipeline jobs on Line 9 where we installed remote valve locations, and their inspection program is so stringent it's absolutely maddening for someone who's trying to run one of those jobs. Their red book will make you pull your hair out, it goes into such great detail.

[*Translation*]

The Chair: Thank you, Mr. Savard-Tremblay.

[*English*]

For the final two and a half minutes, we'll go to Mr. Blaikie, please.

Mr. Daniel Blaikie: Thank you very much.

Obviously, a committee like this takes a lot of resources. We've heard now, over many meetings, from many witnesses and from members of the committee itself that there seems to be a pretty strong consensus with respect to Line 5, whatever other differences of opinion we may have about the future of the oil and gas sector and how best to manage that, how to get the most value out of it for Canadians in the context of fighting climate change. However, on this issue, there does seem to be a pretty strong consensus.

The committee continues to meet. We continue to hear a lot of the same messages. How do you think we can get the most value out of this committee, given all the resources that have been allocated to it, when there actually seems to be pretty strong agreement? How do we get the most bang for our buck out of these committee proceedings?

We've also heard that, whether it is the federal government or provincial governments across the country, there seems to be a pretty united front in impressing upon the U.S. the importance of Line 5's continuing until there's an environmentally adequate replacement. How do we get value out of these proceedings in terms of action when it seems that most people are already committed to defending the ongoing operation of Line 5? Are there any ideas about that?

The Chair: There is one minute left.

Mr. Mike Bradley: I can respond to that. It's an excellent question.

I think the committee needs to start looking at some timelines, at some deadlines, and if those deadlines aren't met as they relate to the diplomatic approach or the political approach, then legal action must be activated so that we're not just waiting and waiting for the Americans to respond. I think that some deadlines would be very helpful, and then the legal action could take place if we're not successful.

Mr. Andrew Pilat: That makes sense.

Mr. Daniel Blaikie: Thank you very much.

The Chair: We give a very special thank you to Mayor Bradley, Mr. Archer and Mr. Pilat for really giving us a local perspective because I think we also needed to hear that. We've heard the national perspective and, in some cases, the international perspective, but we sincerely appreciate your taking the time today to really give us a local feel on the ground. Hopefully, we will resolve this issue.

To the rest of my colleagues, we will see each other on Thursday.

The meeting is adjourned.

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