



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair
Lloydminster

Ms. Vicki Mowat, Deputy Chair
Saskatoon Fairview

Mr. David Buckingham
Saskatoon Westview

Mr. Terry Dennis
Canora-Pelly

Mr. Delbert Kirsch
Batoche

Mr. Warren Michelson
Moose Jaw North

Mr. Doug Steele
Cypress Hills

[The committee met at 10:00.]

The Chair: — Good morning, everyone, and welcome back to the Standing Committee on the Economy. We are joined here today as committee, myself, Colleen Young. Sitting in for Vicki Mowat is Buckley Belanger. We have David Buckingham, Terry Dennis, Doug Steele, and Delbert Kirsch and Warren Michelson.

Bill No. 126 — *The Energy Export Act*

Clause 1

The Chair: — We will now resume our consideration of Bill 126, *The Energy Export Act*, clause 1, short title. Minister, if you would like to introduce officials that have joined us once again here this morning, and any comments you'd like to make at this point in time before we open the floor to questions.

Hon. Ms. Eyre: — Absolutely. Thank you, Madam Chair, and once again accompanying me are Laurie Pushor, deputy minister; Kathryn Pollack I don't think is here this morning; Cullen Stewart, executive director, energy policy; and Leanne Lang, senior Crown counsel; as well, Theodore Litowski, Crown counsel; and my chief, Jeremy Brick.

The Chair: — Thank you, Minister. I'll open the floor to questions from committee members. And I'll recognize Mr. Belanger.

Mr. Belanger: — Well thank you very much, Madam Chair. What I'd like to do is to continue on where we were interrupted by the power outage yesterday. In terms of the questions, as I indicated yesterday, we really need a lot of the information that should be readily available through the ministry, and the data that they've collected over time. So the purpose of our discussion this morning in committee is to get as much data as we possibly can and to correlate that data to make sure that (a) the homework has been done, but more so is that the information gets to the public as to why certain decisions were made as it relates to this particular bill.

So I'm going to go right into the questions, Madam Chair. I would ask the minister, in terms of the . . . We didn't really get the information, as I mentioned, because of the power outage, but I'd asked the question: of Saskatchewan's exports, what percentage goes to Alberta, which goes to BC [British Columbia], and to the other provinces? And the minister undertook to report that. Has she had time over the last number of hours to collect that data?

Hon. Ms. Eyre: — Thank you, Madam Chair, and certainly we're in the process of getting that information. And I'll let my official, my deputy minister, just speak to some of the challenges around getting that as quickly as just overnight.

Mr. Pushor: — Thank you. It's Laurie Pushor, deputy minister of Energy and Resources. We are working to compile that information. We don't, on a routine basis, report shipments to various provinces. So as you know, we have 300 producers in the province and we track in detail across all of their facilities — some 30,000 producing facilities. So it's a bit of a process

for us to gather it, but we are working on it and we will get that to you as quickly as we can.

Mr. Belanger: — And would it be fair to make the assumption then, because we're in the process of gathering that information, that the bill that we have in front of us would not be complete? Is that a fair statement to make? Of course this is to the minister because obviously the intention of this particular bill is to stop exports of oil and gas to BC. As the opposition, we want to know what the volume of gas or the amount of oil that we are shipping to BC. We'd like to know what that is. And we don't have that information yet, and yet the bill is here today. And that points to our argument as the opposition, is we need to see the homework. So do you have a date on which that information could be available?

Hon. Ms. Eyre: — Thank you, Madam Chair. Again this is a law, a bill of general application to protect energy exports and provide for permitting process for them, which is not historically unprecedented, as I indicated yesterday. That's what this is about. It's about the much broader challenge that the sector faces. We also discussed that yesterday: the jobs that are on the line, the royalties that are on the line, the sector investment that is on the line, if we continue to not be able to access tidewater.

And there have been a number of projects going in a number of directions that have been put in serious jeopardy or discontinued in this country in recent years, and so we find ourselves in a position where we simply had to address this. And again there was much, much detailed analysis that went into this bill, and it's a very well-developed bill.

Again in terms of the points or questions that the member raises, of course the majority of oil and product goes to the United States, as he will know. And so in terms of the volume and putting a number on the volume or percentages, a volume that goes for example to other provinces, we want to make sure that we undertake to provide the best information in that regard possible. And that's what we've undertaken to do for the member.

Mr. Belanger: — Thank you very much, Madam Chair. But this is exactly my point as we're delving down this notion of the intent of the bill. And it would be a safe assumption to make: those that may be watching, they're going to ask for specific information as to what volume, what value are we losing as a result of this bill, in cutting off BC from our oil and gas?

And, Madam Chair, I would take the non-answer by the minister to simply indicate that she doesn't know what the volume and value of that oil and gas is. And this is the whole point. Again I would beg to differ on, when the minister uses the language, detailed analysis and much work in the preparation of this bill. I would suggest, as we have been suggesting all along, that the detail is really important and the homework is crucial. So when you ask the very basic, rudimentary question — okay, what value is the oil and gas that we're now planning on not shipping to BC? — and the minister doesn't have the answer, that's the point we're making.

And there are 15 to 20 other points we're going to make on the

homework attached to this bill because this is a very, very serious matter. It's impacting and affecting many people's livelihood in the province, and that's why we keep asking the very basic questions. We want to know that if the intent is to pressure BC into supporting the pipeline — which we, again I'll reiterate, from our perspective we are in support of the pipeline — then I think it's important to note that the people of Saskatchewan need to know basic information. What's this going to cost the economy, and what is the value of that oil and gas that we're now not shipping to BC?

So I'll try another angle, Madam Chair. Are we intending to reduce the export to BC to zero? Or is it to maintain current exports, but not allow any backfilling of the decrease from Alberta as a result of their action?

Hon. Ms. Eyre: — Well thank you, Madam Chair. And again, I'm not going to engage, we are not going to engage today in endless speculation. But the point is that this bill has historical precedent, which I have indicated and will not go over in great detail again because I said this yesterday. But the precedent is the natural gas permitting process that was in place in Alberta and continues to be in place in Alberta, and which was in place at one time in this province as well, and was discontinued. There was an export permit process that is well documented, was well exercised, and dutifully executed at that time.

And so the precedent is there. This is not a random undertaking. There is a background for this. And the section 3 . . . And again I'll also say before I get into section 3, Madam Chair, that of course Alberta has a very similar, very similar legislation. And at first we undertook to put in a sunset clause. And that was done, and Alberta has subsequently followed in that regard. So again, very similar legislation between the two, and very detailed analysis that went into the formulation of this bill, further to historical precedent, as I've said, of previous bills that have existed and previous structures that have existed for export permits in this country.

In terms of section 3, and that is the crux here, because section 3 in the Act . . . And again the member isn't going into great detail about the wording of the bill and I think it is important that we do that because that is the context with which you have to see this.

In section 3, before there can be any action undertaken, there has to be a definition of who will apply and the classes of product. And so in other words, you know, classes of product generally, industry class generally, permits based on the application then would be considered case by case.

But the first step is under section 3, where it would be defined who would apply, who would be exempted, and what class of product that this would apply to. And that would be by OC, order in council. And again the test is, as I said yesterday, part of the old oil and gas conservation Act, same structure, same tests that we would be continuing. And I think that's very important because it would be considered, as indicated, on a case-by-case basis very carefully as envisaged by the Act and as envisaged by section 3.

And again the major tests, and we'll read through them, are for broad public interest or whether it is in the broad public interest:

whether adequate pipeline capacity exists to maximize the return on oil and gas produced in . . . [the province];

whether adequate supplies and reserves of oil, gas and refined products will be available for Saskatchewan's present and future needs;

the economic benefits to Saskatchewan and Canada; [and]

any other matters that the minister considers appropriate or necessary.

That would be considered by cabinet in detail and in full. And any other exercise becomes an exercise in speculation.

I think again it's just very important to go back to why we are here. And we are here because of the situation that we face as a province and as a country because a federally approved pipeline, a National Energy Board approved pipeline, is not being allowed to go ahead, and this is a broader national issue. This simply is a broader national federation issue that we find ourselves in.

And the cost to the province, as I indicated yesterday, and will continue to indicate: \$200 million in royalty last year lost because of pipeline delays and the lack of connections to tidewater. Saskatchewan oil producers lost 2.6 billion and so on and so on. And those numbers and those economic realities are well documented, the loss that we faced to our energy sector and to our economy. And so the Act is about protecting the energy sector. It is a last resort. Again we did not take this decision lightly, but we find ourselves in this position as a result of a situation beyond our control.

[10:15]

Mr. Belanger: — Well thank you very much, Madam Chair. I just wanted to emphasize to the minister that people want to go to work. We need to have stability in the oil and gas sector. So when I point out that this is a very, very serious matter, it is a very serious matter. We're not engaging in speculation. All we're asking today, Madam Chair, is the very basic data that forms the basis of this bill and this action.

So as we have people at Evraz that are working, we have the refineries, we have the many people attached to this big oil and gas industry that are working, that are working at mortgage-paying jobs. So as we rally behind this action to try and make our point and add to Alberta's emphasis and Alberta's lead to try and resolve this matter between the three western provinces, we want to make sure that not only are we working hard, but we're working smart as well.

So when I ask for basic information, it's not speculation. I just need to know. And I'll ask the minister very plain simply, do you know how much that value of export is to BC and is it our intent to reduce the exports to BC to zero, or is it to maintain current exports but not allow any backfilling of the decrease from Alberta? This is only on the BC question, not the States.

Hon. Ms. Eyre: — Madam Chair, again these are . . . I will insist that these are hypothetical models that the member is putting out there and they are, they do engage in speculation. If

you start to get into potential impacts of this and that, that's absolutely speculation in terms of impacts down the road. In terms of the data that he has requested, in terms of the information that he has requested when it comes to export percentages and values and so on to other provinces, we will and have said we will undertake to get that. The amount that we export to the United States of course makes up most of that, but I will let my deputy minister follow up on some numbers that we have.

Mr. Pushor: — Thank you very much. We know that approximately 70 per cent of the oil produced in Saskatchewan flows to the United States. What we don't have good, detailed information on is a province-by-province breakdown of the 30 per cent remaining. And that's what we've undertaken to provide to you, and we expect we'll be able to get that in in a fairly timely fashion.

Mr. Belanger: — Following that information, are we entertaining the notion of compensation? So this bill will result in companies not being able to export to BC. And we've had our debate on consultation and engagement, and we encouraged robust consultation and engagement with our oil and gas sector. And as we often make reference, the players in that particular industry should have had full consultation and should have endorsed this process. We haven't seen evidence of that to the extent that we think should be there because obviously this is going to impact their particular industry.

So the question I have is . . . Okay, we don't know what the value is; we'll get that value to you later. So will these companies, or will the unemployed workers, or will the independent contractors, will any of them be compensated as a result of the action of this bill?

Hon. Ms. Eyre: — Well, Madam Chair, I'm going to say again, you cannot prejudge an application. Again this is hypothetical reasoning and speculation. And as I've indicated, section 3 — which perhaps the member and I could go through — that is the process; those are the steps; that is the initial test that cabinet would consider and would be considered under order of council, if and when, case by case, in terms of class of product, who would be included, who would be exempted, and so on. And I've said that a number of times.

I think in terms of the consultation, again in the bill it contemplates consultation explicitly. And that is right there in the bill and would of course be part of any decision-making process that would be undertaken. And the member has read the bill so he's aware of that.

In terms of the sector and sector voices and what the sector has said, as I referenced yesterday, there has been broad support for the fact that there is a realization that we have come to a point where if we do not do something, as a federation, but if we do not do something, we will seriously hurt the economy of this country. And again you know, I point to the Canadian Energy Pipeline Association that has said, in light of everything that the sector is facing, it is difficult to imagine a new pipeline ever being built in Canada. That is why we are doing what we are doing. That is why we find ourselves in this position. This is a serious business. This is no longer about wordplay or speculation. This is about a last resort to addressing what is a

serious existential threat to not only the Saskatchewan economy, but the Canadian economy. And that is why we find ourselves in this position.

So consultation absolutely, both informal, formal, and intrinsic in the bill. You can't have a situation that we are facing without, obviously, consultation and discussion and analysis to get to this point. So I will leave it at that for now.

Mr. Belanger: — There's two points I would make, Madam Chair. First of all, consultation does not constitute agreement. That was my point around the oil and gas sector and the industry that's engaged with that very vibrant and important part of our economy in the province of Saskatchewan. So let me reiterate to the minister, consultation does not constitute agreement.

And the other point I would make is on the hypothetical argument the minister is making back to me. Well this bill is not hypothetical; it's right in front of us. So I think it's important, as I indicated time and time again, we need the basic data that forms the basis of this action and some very rudimentary matters that we need to address this. What is the volume going to BC? Okay we'll undertake that to present to you at a later date. Then we asked about compensation; nothing on that front.

So in the lead-up to this particular bill, is there any estimation of potential compensation to any of the players in the oil and gas industry? And I'm sorry to make reference to them in that fashion, Madam Chair, but any of the investors in the oil and gas sector, if you will. Has there been any discussion on compensation and is there a value to that compensation that you wish to share with the assembly?

Hon. Ms. Eyre: — Thank you, Madam Chair, and again I will simply say that this bill as is in existence now in Alberta and is in existence in Saskatchewan is not in any way hypothetical. It is a bill that has a very solid test structure for consideration of export permits. Again it is not . . . It is absolutely historically precedent in terms of its structure and so is well established in that regard.

I think again it's important to go back to the crux and the root of the bill, which is that each and every situation would be considered on a case-by-case basis. That is the structure that is envisaged by export permits in the past and would be in the future. So very thorough analysis would be done in terms of those case-by-case decisions that would be made, and they would not be taken, of course, lightly. They would be weighed fully, and that is what the bill envisages. That is what the bill envisages in Alberta, and that is what the bill envisages in Saskatchewan. And that was the former structure for natural gas export permits that existed in Saskatchewan, existed in Alberta and continued to exist in Alberta.

This encompasses a broader expansion of product that could be brought under the ambit of the Act, but it is by its very nature a bill that would . . . that absolutely ensures that those decisions are made in terms of who would apply, what would apply, a class of product, etc., all the things that I've outlined. That would be envisaged by section 3 and that would be decided by cabinet. That is just simply the way the bill works and the way these bills have worked in the past.

Mr. Belanger: — Thank you very much, Madam Chair, and I just want to emphasize, and it's not in any way, shape, or form bringing in background in a negative way, Madam Chair. I would point out that I understand that the minister has also got a law degree and is a lawyer prior to entering politics. And we bring certain skills and abilities to our job; I'm probably one of the few that doesn't. But the point I would raise is that I understand that the minister is a lawyer. So the other question which is part and parcel of what we're talking about here is that, what advice have you received regarding the constitutionality of this bill?

Hon. Ms. Eyre: — Madam Chair, thank you. We believe that this bill is constitutional. And again as the member will know, within the constitution, under non-renewal natural resources, forestry resources, and electrical energy — section 92A — in each province the legislature may exclusively make laws in relation to . . . and it outlines those non-renewable resources that are protected under the constitution. So section 92A provides provinces with that protection, and we believe that export permits, in terms of the way the bill is stated and the way it reads, is on its face constitutional under that section, in terms of that section and the context of that section.

Mr. Belanger: — Well the old phrase when it comes on the face of the bill may be some constitutional argument, but the fact of the matter, the phrase that's often used is, the devil's in the detail. Now does that detail create a constitutional challenge? I'm asking the minister on that front.

Hon. Ms. Eyre: — I'll say again, Madam Chair, that we believe the law is, the bill is constitutional.

[10:30]

Mr. Belanger: — Madam Chair, I just want to go . . . Because we only have several more minutes left here, the question I'm going to ask is that, what risk analysis has been done as a result of this bill being before the Assembly today? How will it impact investment? How will it impact jobs? How will it impact the liability for the province? And the more important issue that I think in the back of people's minds is, do you as a minister see any potential countermeasures from BC? As an example I would use, is there a potential for grain exports to be limited in response? Because as we allow some of the provinces through bills of this sort to have constitutional protection and basically have the law on their side, can we or do you foresee BC doing countermeasures of this sort?

So everything from investment to the jobs to the liability to the countermeasures, what advice do you have for the people of Saskatchewan as it pertains to those really, really serious matters?

Hon. Ms. Eyre: — Thank you, Madam Chair. And again the member references some other broader issues that we are facing as a nation and as a province. And certainly I think we can all agree that on the resource front, we have fought on many fronts. And of course the single biggest risk to our resource sectors is not getting those goods to market. And you know, the bulk commodities that go through BC ports, most of those, the majority of those are from Saskatchewan. So the economy is absolutely interconnected, and we know that.

And we have called on the federal government over and again to act on the swift passage of Bill C-49. As we know, we are seeing some progress on that front so that is very good news. But we must have reliable cross-national rail transportation systems for potash, for agricultural products, for mining products. Again the Saskatchewan Mining Association has said that that product simply must be moved to market in a predictable fashion or our ability, their ability to globally compete will be put in jeopardy. We know that.

And of course, we know that the federal government has to move on oil and on this pipeline and regrettably hasn't on past pipelines that go a number of different directions, and have put us in the jeopardy that we find ourselves.

Again in terms of risk analysis and economic feasibility and so on, we touched on this yesterday. I believe the member asked me that question yesterday. I think it's very important to go back to the comments for example that I quoted from the Canadian Energy Pipeline Association that if we're going to talk about economic feasibility and risk, the risk is that Canada will no longer be open for business. That's the risk, and that we are actually in a position where if we don't move forward on these projects, no one is going to build a pipeline in Canada ever again. That is a massive risk, and if you're going to talk about economic feasibility, that would be our answer to that.

The numbers in terms of jobs and investment and royalties have all been documented and well documented. And again I'll repeat: you know, 34,000 direct and indirect jobs; 2.6 billion lost, as I've said, by the sector last year because we couldn't get to tidewater; \$200 million in royalties lost to the province which would go to things such as, of course, highways and hospitals and everything else for the good of everybody in this province.

So the risk is clear. And the economic feasibility is the broader economic risk, we would submit. And again as I've also said, we don't want to find ourselves in this position but this is about energy export protection. And that's why we're here. It's all about the economic risk.

Mr. Belanger: — Yes, I think it's important to note that it was with great fanfare several years ago that the then premier touted the New West Partnership in which, of course, we would have trade relations with BC, Alberta, Saskatchewan, that things were, basically that they were going to be a coalition of trading partners. And I get that, the fact that you made reference to that we need to attract investment. I think everybody and their dog in Saskatchewan gets that. So the point you're making, I think everybody agrees with that.

But going back to my argument, the devil's in the detail as to how you wish to achieve certain objectives to ensure that we continue maintaining a reputation I think Canada and Saskatchewan has built over decades in trying to attract investment. Every single party in this Assembly touts the value of Saskatchewan. That's our role. That's our job. However the question . . . As you embark on some of these things, we have to know what the risks are to other sectors of our economy.

And that's why the very basic question that I ask is, do you see or do you anticipate any other threats as a result of this action to

our potash industry, to our agricultural sector? Because as we look at the countermeasures, we need to anticipate that. So have you anticipated any countermeasures? And what advice are you getting from your officials as it pertains to that particular threat as a result of this bill?

Hon. Ms. Eyre: — Thank you, Madam Chair. Again a number of questions in there, and the member referenced the New West Partnership. He also referenced how everybody and his dog — I believe was the way he put it — supports the pipeline and supports our actions, I suppose, indirectly in terms of preserving the economy and protecting the economy and the energy sector. That's where the devil's in the details, Madam Chair, because I would respectfully submit that there's a great deal of difference between talk and action.

And I did reference yesterday that the public questioning that the Leader of the Opposition has made in regard to the value of pipelines on the economy, the ability of pipelines to create jobs, and the questioning that he has engaged in on whether it's worth political posturing . . . And as I said yesterday, this isn't about political posturing; it's about principle. And again there is a broad difference between paying lip service to pipelines and the value of pipelines in the energy sector and actually doing something about it. There is a very, very significant difference between that, those two things.

As far as the New West Partnership goes, that's a valid question. And I guess that the best answer to that, as far as I see it — and it is something, as I say, to consider — that the recent events that we see open up a lot of questions, open up a lot of existential questions about the very nature of trade and free trade. And so, you know, do one province's actions, a number of provinces' actions, federal government actions, do they limit free trade?

And so again that is the premise that the New West Agreement is based on, is the fact that you have free trade between provinces. And when, in this situation, you have a federally approved pipeline approved by the National Energy Board with all the layers that were inherent in that process, and the former government of BC also approved the pipeline . . . When you have that situation and you're confronted with that situation and then things suddenly change or get stalled or delayed or not acted upon — and in this case we submit that it is the inaction of the federal government that has put us in this position and put the federation in this position — you have an existential question around what trade and free trade means.

And that is the conundrum that we find ourselves in, in terms of the constitutional ability to protect energy and energy export as a province, and obviously our desire to engage in free trade. But free trade has very basic premises, and they generally revolve around free trade. So that's the conundrum that we find ourselves in, legally and jurisdictionally, in terms of the situation we have been put into by, we would submit, the federal inaction on this.

Mr. Belanger: — Well, Madam Chair, back to the questions of this very serious matter. How will the permitting process work? Who will administer it? What is the projected cost of administration enforcement? Will there be border checks? What agency would enforce the permits and perform any checks and

inspections? And who would be required to have a permit? A refinery? Trucking company? Fuel distributors? Can the minister share with us answers on those questions?

Hon. Ms. Eyre: — Thank you, Madam Chair. I do think we are in some danger of going over old ground. As I've said a number of times — I've been very clear and there's no secret to this — the structure of the bill under section 3, again as I've said a number of times now, it lays out the structure by which this would happen and how it would happen: classes of product, whom it would be applied to, who would be exempt, and that would be decided by OC and by cabinet. And I've said that a number of times.

That is the structure that was formerly in place under the natural gas export permit structure. That is what this is an extension of and that is the structure that would be in place to address all the questions that the member has raised in terms of whom it would apply to and how it would work.

Mr. Belanger: — Madam Chair, I would just point out to the minister that, directly to the minister, that your command of the English language is admirable but discombobulating. We need to ask very basic questions on the basis of your bill. You have not provided any of the answers that we've asked patiently, and we have focused on the questions to get the answers.

And as you look through the bill itself, Madam Chair, there is tons of questions that people have as it pertains to this particular bill. Is the province of Saskatchewan willing to invest in that particular pipeline? Where has the failure been on the part of the government to anticipate this matter? Because part of governing is anticipating threats to our economy. We know that this government knew these actions were going to happen long ago.

And then as you look at the history, the failure to get 1 inch of pipeline to tidewater, well, Madam Chair, these are all actions of this past government, that despite record revenues they have failed to address those matters. Now we have a bill before us that's going to have actions against BC to protect Saskatchewan jobs. We said we want to protect Saskatchewan jobs. We want a robust energy economy, oil and gas. There's not one single person in this Assembly that's ever stated anything to the contrary, and that's why it's important to reiterate that time and time and time again.

So it is hoped by this opposition, Madam Chair, that this exercise is well thought out. We see no evidence of that today based on what the minister has responded. The language is confusing; the commitments are scarce; and we'll get the information to you later. I would suggest that something as profound as this bill and the potential impact that it has on a struggling oil and gas sector in the province of Saskatchewan, that could threaten potash, that could threaten the agricultural sector, we need to know those details.

[10:45]

And the minister alluded to consultation, and I reiterated consultation does not constitute agreement. So as you look at the far-reaching impacts of this bill, we just are asking as the opposition the very basic questions. We need to know these

things, as the people of Saskatchewan have a right to know. As you undertake these actions, we need to know what the impacts are. That's where the opposition is trying to make their point.

Now we needn't restate the fact that this has been an approved project by the national government, and yes, the national government needs to show strong leadership in ensuring that this approved project proceeds. Nobody's arguing that point. We also want to point out that Premier Notley of Alberta is also pushing very hard, and that we in Saskatchewan want to support her in that fight to protect the oil and gas sector of our appropriate provinces. The opposition has not stated anything contrary to that point.

So it's very important, Madam Minister, that we get this right. And I would suggest, Madam Chair, to this committee, that that homework was not done. And when you don't do your homework, don't anticipate threats of this magnitude to our economy as a whole, then we're doing a great disservice to the people of Saskatchewan, especially if the action of this bill follows with political grandstanding. For what? For what?

As I said at the start of this process, we need those jobs at Evraz. We need those jobs at the Co-op Refinery. We need those jobs in the oil and gas sector. We need to protect our jobs in the agricultural sector and the potash industry. Nobody is saying anything contrary to that from the opposition.

So we're going to be watching with great interest how the government and how this minister and how this Premier responds to our challenge under this bill. We need to get it right because we are not playing with people's lives. People need to go to work. They need to protect those jobs. Nobody is arguing that on this side of Assembly. And if the government proceeds on that irresponsible political grandstanding front, well I say, shame on them. As I said at the indication, this is a very serious matter and you are the government. You have to provide that leadership. And we need to know all the details of how this bill is going to affect our future.

Now, Madam Chair, I would point out everything, from the constitutionality of this bill, the economic and environmental benefits, the threats, the challenge. And we are imploring the federal government to make the pipeline happen. We are encouraging Alberta's lead, as Notley has provided great leadership on this front. We are encouraging Saskatchewan to support that lead. And we're also encouraging the province of Saskatchewan, the Government of Saskatchewan to prepare for some serious challenges that may impact other sectors of our economy. That's our message today, all the while underlining our unreserved support for the pipeline to BC.

So I would hope, Madam Chair, that the minister gets the message today. We're not dealing in hypotheticals here. We're dealing with the real bill. So, Madam Minister, we are eagerly anticipating the return of that information, and I would encourage you to get it to us as quickly as you can because we in the opposition look at this matter as being a watershed moment for all of us in this Assembly. Thank you very much, Madam Chair.

The Chair: — Thank you, Mr. Belanger. And seeing no further questions, we will now begin to vote on Bill No. 126, *The*

Energy Export Act. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clause 2 agreed to.]

Clause 3

The Chair: — Clause 3, is that agreed? I recognize Mr. Belanger.

Mr. Belanger: — Thank you very much, Madam Chair. On clause 3, I raised my hand. Madam Chair, I have an amendment to move, but before I move the amendment, I'd like to make some comments about it.

What my amendment does, Madam Chair, it forces the minister to table in the Assembly what analysis and consultation has been done before designating a company under the Act. Our number one concern is jobs. And it's clear that there's a potential for unintended consequences on Saskatchewan jobs when it comes to this bill.

We think it's appropriate for the minister to have to show us her homework before taking such drastic measures. This amendment would require the minister to table the list of persons consulted before designating a company or person, and it would force the minister to table her analysis of the impact on Saskatchewan's economy. We think it's vital that the minister should have to show that these important considerations and consultations have taken place before moving forward with drastic measures like this.

And so, Madam Chair, I move that clause 3 of the printed bill be amended by adding the following subsection after subsection 3(3):

“(4) After a person is recommended as a designate pursuant to the Act, the minister shall table the following documents on the day the designation of the person is made by the Lieutenant Governor in Council:

(a) a list of the persons who were consulted pursuant to clause 3(3)(a); and

(b) the documentation that contains the analysis of the factors set out in subclauses 3(3)(b)(ii), (iii) and (iv).”

I so move.

The Chair: — All right. Member Belanger has moved an amendment to clause 3 of the printed bill to:

Amend Clause 3 of the Printed Bill by adding the following subsection after section 3(3):

“(4) After a person is recommended as a designate pursuant to the Act, the minister shall table the following documents on the day the designation of the person is

made by the Lieutenant Governor in Council:

(a) a list of the persons who were consulted pursuant to clause 3(3)(a); and

(b) the documentation that contains the analysis of the factors set out in subclauses 3(3)(b)(ii), (iii) and (iv).”

Dated May 23rd, 2018. Do committee members agree with the amendment?

Some Hon. Members: — Agreed.

Some Hon. Members: — No.

The Chair: — The amendment is defeated. We will continue with clause 3. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 3 agreed to.]

[Clauses 4 to 16 inclusive agreed to.]

[Preamble agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Energy Export Act*.

I would ask a member to move that we report Bill No. 126, *The Energy Export Act* without amendment. Mr. Buckingham so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, if you have any closing remarks you would like to make.

Hon. Ms. Eyre: — Well thank you, Madam Chair. I will agree with the member on one issue and that is that this is a watershed moment. I think we have different ways of interpreting what that means, but this is a watershed moment in terms of protecting the energy resources of this province and of this country and the broader economy.

I feel it's a bit rich being lectured on the importance of the resource sector when the opposition is utterly passive and complacent on a federally imposed carbon tax, for example, which would present a monumental threat to some of the sectors that the member has mentioned. Agriculture, potash, that's just the beginning.

So again in terms of the homework that our team in Energy and Resources and Justice have done on this bill, I am extremely confident. We have a very strong team and we will always stand by the resource sector and protect it, as we are absolutely capable of doing. So I do take some umbrage at those remarks that suggest that the situation is otherwise. I have absolutely full confidence in the work that has been done.

In terms of the impacts, again I won't go over that. They are well documented in terms of the broader impacts to the economy and to the sector if these pipelines and pipeline projects are not allowed to continue in the future in this country.

I simply don't understand what the member means when he says that somehow magically we were supposed to know that this was coming. How, in a federation, when something is approved and people play by the rules, and the National Energy Board approves it and the BC government at the time — in this case, with this one project that a provincial government approved it — and the federal government approved it, announced it with great flare that this was going to go through and be built and has continued to say that up until extremely recently, how were we ever supposed to think the worst and expect that somehow this wasn't going to happen? The fact is that this is . . . We find ourselves now in a situation of last resort, and that is very clear and it's very clear how we have come to this point. We took the federal government at its word. That's why we're here. So I don't understand that line of questioning. I never have. The member has made that point a number of times.

I also want to take his comments with an inch of pipeline, and I want to get some facts on the record here. Because he has said repeatedly that this government did not build an inch of pipeline and then subsequently changed it to tidewater. But there were a number of times when the proposition was suggested that, because of economic climate in the province, that we should have done more to build pipeline. Now again, and that's been also echoed by the member for Regina Douglas Park, Ms. Sarauer, and others. Again, I simply don't understand how you can logically say that federally approved pipelines should somehow have been approved by us. It's just so disingenuous. And again, yes, you can switch it to tidewater.

But I do want the member to hear the pipelines that have been built in Saskatchewan, and I'm just going to read that into the record. In fact there have been 503 new pipelines, a total length of 3569 kilometres that have been constructed since January 1, 2008 and are in operation in this province with approvals granted under *The Pipelines Act*. I do want to get that on the record. And there are range oil pipelines, four CO₂ pipelines, four polymer pipelines, 39 water pipelines, and 289 natural gas pipelines. And so again, that's a lot of inches, and I think it's important that that be finally put on the record and not allowed to continue as some narrative about the lack of building of pipelines in this province.

[11:00]

And I will say one more time in terms of how this Act would work, it is laid out in section 3. That is not dissembling. It is not discombobulated. It is simply the way the bill is envisaged, that those decisions in terms of class of product, who's exempt, how it would apply, apply under section 3. And the rest follows from there. That is an utterly transparent, established way of undertaking this type of export permit.

And with that I will thank committee members, Mr. Belanger for his questions, and my officials who have done an enormous amount of work for the good of this province and for the good of this energy sector and for the furtherance of our

constitutional protections in this country. So thank you to them.

The Chair: — Thank you, Madam Minister. Would you like a quick wrap-up, Mr. Belanger?

Mr. Belanger: — Yes, Madam Chair. Again I want to thank the officials for their answers and their endeavour to get further information to me. I just simply point out that the questions we had were simply designed and intended to get the very basic information in front of people.

As I've indicated, there's questions around whether the Saskatchewan Party government wishes to invest in the pipeline themselves. There's no suggestion from their side whether they would opt in if that was the case. Secondly, I rest my case, Madam Chair, that under the New West Partnership and the fact that they knew that there was problems with this Trans Mountain pipeline and they failed to anticipate it then.

My point today is that there may be other threats to other sectors of our economy: agriculture, potash to name a few. I'm saying let us not make the same mistake in failing to recognize those threats because I can tell you today that CEOs [chief executive officer] of oil and gas companies constantly remind themselves of the potential threat to their industries. So the Saskatchewan Party government had to have understood and had to have known about the threat to this pipeline. And we're reminding them today that failure to anticipate other challenges to other sectors of our economy will do a great disservice to the people of Saskatchewan.

And I'm not changing my mind. Your failure to get one inch of pipeline, to build one inch of pipeline to tidewater is indicative of your past behaviours. Failure to anticipate this is indicative of your past behaviour. I'm suggesting, Madam Minister, that what we have to do is we have to have elevated discussion around this bill because it's going to impact many, many people in many, many sectors of our province. And I hope that this is not just a frivolous political exercise on the part of the Saskatchewan Party government. We have to get this right.

Thank you very much, Madam Chair.

The Chair: — Thank you, Mr. Belanger. And I would ask a member now to move a motion of adjournment. Mr. Michelson has moved. All agreed? Carried. This committee now stands adjourned till Wednesday, May 23rd, 2018 at 3 o'clock p.m.

[The committee adjourned at 11:03.]