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### NATIONAL ENERGY BOARD NEEDS TO FIX PIPELINE OVERSIGHT, WATCHDOG SAYS

Regulator's assurances 'meaningless' when less than half of conditions met, NDP critic says

The National Energy Board is not doing enough to track whether pipeline companies are complying with conditions set out when projects are approved, according to a new report by the federal commissioner of the environment and sustainable development.

The report, tabled in the House of Commons on Tuesday, warns that the national regulator needs to do more to keep track of pipeline projects, especially given the increased number of projects it is required to handle.

Commissioner Julie Gelfand found the systems set up by the NEB to check whether companies are keeping their promises when building and operating pipelines are "outdated or inaccurate."

"The NEB was not able to assure us that they followed up on the regulations or the approval conditions," Gelfand told reporters Tuesday. "We made a recommendation that they

become much more systematic."

The compliance conditions are set by the NEB when a project is approved. They are often imposed on a project as a result of concerns raised during public hearings.

Conditions can range from employment requirements for aboriginal people to protection of the environment or safety testing of a pipeline.

The report says that in the 49 cases it audited, there were 24 cases between 2000 and 2014 for which the tracking of the company's compliance was either out of date or files were missing.

The report says that in some cases, NEB had to go through a considerable manual search for files requested by the auditors.

In another file, the audit found that board had not tracked company compliance with a condition to study the environmental effects of a pipeline break near caribou habitat, despite the fact the condition was set a decade ago.

The report notes that despite an increase in funding, the NEB is having trouble hiring and keeping staff, and is facing an increased workload because of the number and

complexity of new pipeline activities.

"They have a variety of ... information management systems that don't all talk to each other. They're outdated. We could have one engineer tracking something on their computer, which is not talking to the main database that they use," the commissioner explained. "Because they have this computer database problem, it becomes much more likely that a mistake could be made.

"It's not all well-organized and they're not talking to each other," Gelfand told reporters.

The NEB says it has an action plan in place to address all of the commissioner's findings by the end of 2016. In a press release, the regulator said it had already identified the same areas for improvement as the audit and had completed work on many of the recommendations.

"The NEB absolutely enforces and monitors all companies' compliance with pipeline approval conditions and has complete confidence that compliance with pipeline approval conditions is appropriately and comprehensively evaluated by NEB staff and board members," said Paul Watson, the NEB's chair and CEO.

NDP environment critic Nathan Cullen said the report's findings won't help the public's confidence in pipeline safety.

"The response we've had from the previous government — and this government, to be fair — is that 'we have very strict systems in place' and 'we will put upon these oil companies a number of very strict conditions,'" he told reporters Tuesday. "That's the assurance that's been offered to a skeptical and concerned public.

"That's meaningless if less than half of the conditions that have been applied are actually even followed," he said. "At the very least, follow the conditions that you've set down rather than what we see right here, which is after years of warning the NEB continuing to be unable or unwilling to follow through on their own requirements for a pipeline to be built."

### ENERGY EAST PIPELINE BACKED BY QUEBEC BUSINESS GROUP

Head of Quebec Employers

Council says province stands to gain from TransCanada project

A Quebec business organization is coming out in favour of the Energy East pipeline project.

Quebec could lose out on a big money-making opportunity if the TransCanada project is not approved, Yves-Thomas Dorval, president of the Quebec Employers Council, said on the Eyeopener Monday.

"There is economic benefits, for not only Quebec, because Quebec is part of the federal cooperation between provinces," he said.

"And it's good for Canada and if our neighbours in Alberta and Saskatchewan do well, I mean Quebec will do well also, and the reverse is also true."

Last week, Montreal Mayor Denis Coderre said he and his colleagues in the Montreal Metropolitan Community are against the pipeline over its possible environmental impacts.

The \$15.7 billion-pipeline project would carry 1.1 million barrels of crude a day from Alberta through Quebec to an export terminal in Saint John, N.B.

Dorval says it's counter-productive to argue that Quebec somehow owes Alberta its support, having received billions of dollars in transfer payments over the years.

"This type of arguments will just create more anger and will just create less dialogue. It's not because it's not true. Effectively, Quebec province received from other provinces a large amount of money through payment equalization," he said.

"But if you look back in the history, the reverse was also true."

If the NEB gives approval, the company would like to start construction in 2018 and have the pipeline in service in 2020.

### ALBERTA NDP, FEDERAL TORIES DEMAND PIPELINES TO HELP 'CRIPPLED' ENERGY INDUSTRY

The Alberta NDP and the federal Conservatives might seem like strange bedfellows, but on the issue of the economy they are presenting a united front: build pipelines now

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to save the "crippled" oil industry. The province's economy is facing a crisis as the price of oil flirts with levels below \$30 a barrel, potentially rendering large swathes of the oilsands economically unviable. But one thing that could bring the industry — and the government coffers it helps to pad — back from the brink is additional pipeline capacity, both parties said in interviews with CBC News.

"We know, and the whole country knows, that the significant drop in the global price of oil is posing challenges not only for this province, which are pretty, pretty big, I must say, but they're also for the country, unless we get behind something like market access," Alberta Finance Minister Joe Ceci said in an interview with Chris Hall on CBC Radio's The House.

Ceci said that the status quo — with virtually all pipeline projects stuck in limbo — is unacceptable and it will leave the Canadian economy stuck in neutral for many years to come.

The Alberta finance minister is now calling on the federal Liberal government to take immediate action to help get something built.

"I need them to voice and recognize that pipeline access is critical for not only Alberta but for the whole country. And if they can do anything with their significant majority, their significant weight [in Ottawa], their connection to premiers across the country, to underscore that, then we'll be better off as a country," Ceci said.

Natural Resources Minister Jim Carr said Friday that his

government understands the urgency of getting new pipelines approved, but said the regulatory process at the National Energy Board first has to be modernized.

"I know people want us to make announcements three weeks ago. We're certain that if we can take this little bit of time to consult and to assess precisely where we want to be down the road, we'll do a better job. We feel the urgency, nobody is lollygagging, but we want to get this right," Carr said in an interview with Rosemary Barton on CBC News Network's Power & Politics.

Carr also confirmed that existing pipeline projects will not have to "start from square 1" with the NEB, but will face a "transition process."

Interim Conservative Leader Rona Ambrose said she's deeply concerned about the state of the Alberta economy and the handling of the energy file by both the federal and provincial governments.

"I think we're in a very different situation today in Alberta. I've seen ups and downs in the oilpatch before. This is very different," she said.

Ambrose added that she finds it "unusual" that the Alberta NDP has now become a vocal proponent of pipeline development, after some of the party's remarks in the past.

"The Notley government themselves, and to a certain extent the Trudeau government, did come into power with a very anti-fossil fuel message," Ambrose said in a separate interview with Hall.

The Edmonton area MP also said

billions of dollars in investment money has already left the province since the political regime changes, in part because of the prospect of additional regulations and a new carbon tax.

"Justin Trudeau supported certain pipelines on certain days under certain circumstances, and that's not a very strong message to an industry that right now is crippled," she said.

The former Harper government, of which Ambrose was a senior cabinet minister, made building energy infrastructure a top priority but ultimately failed to get any new pipelines started.

"My hope is that politics will not prevent some of the good scientific and evidence-based work that's being done by groups like the National Energy Board ... and that we do eventually see these projects move forward," she said.

Ceci also told The House that budgetary considerations he made only a few months ago, in October 2015, likely need a complete revision given the dramatic decline in oil prices. That budget forecast oil to be \$61 a barrel in 2016, roughly twice of where the price finished trading on Friday.

In his last budget, Ceci forecast that a decline of just \$1 in the price of oil would lead to a \$170-million shortfall. Based on those numbers, Alberta would add more than \$5.4 billion to the record \$6.1 billion deficit already anticipated for the 2015-16 budget year.

"You know there's no doubt that there are new budget pressures that I'm experiencing, that we're

experiencing in this province, because of the drop in global price of oil," Ceci conceded. "We're going to take a really good look at that as we go forward, but our plan is still to balance in 2019-2020."

### FACT AIMS TO PERMANENTLY GUARD ISLAND FROM LNG

A declaration to protect what environmentalists say is crucial salmon habitat in northwestern British Columbia could be the latest hurdle for development of a liquefied natural gas plant near Prince Rupert.

A coalition of indigenous leaders, politicians and others has signed a declaration to permanently protect Lelu Island and the nearby Flora Bank from industrial development.

The region at the mouth of the Skeena River, is considered vital to the ecosystem of B.C.'s second-largest salmon-bearing waterway.

Petronas, the Malaysian-owned oil and gas giant, hopes to develop a \$36 billion liquefied natural gas facility on the island, but Lax Kw'alaams hereditary Chief Yahaan says support to stop the project is overwhelming.

The declaration to protect Lelu Island and its surroundings came at the end of a weekend summit in Prince Rupert, attended by more than 300 hereditary and elected First Nations leaders, scientists, politicians, fishermen and others.

Earlier this month, Petronas said that some projects will be deferred and expenses will be cut by as much as US\$11.4 billion.

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