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ENERGY EAST IS A DELICATE LIBERAL BALANCING ACT FOR JUSTIN TRUDEAU

The debate over Energy East could pit Liberals against Liberals — again. Winning a strong and stable national majority government means winning seats from coast to coast. And when those seats lie along the path of a cross-country pipeline like Energy East, that could cause some complications if different regions of the country don't see eye to eye on building that pipeline.

Prime Minister Justin Trudeau, with his party holding seats all along the proposed route of the Energy East pipeline, finds himself in that delicate situation.

One of those seats is Saint John-Rothesay, the terminus of the pipeline. The Liberal MP for the riding, Wayne Long, recently defended himself from attacks by Conservative MP Candice Bergen, who had presented a motion in the House of Commons supporting the construction of Energy East.

In an op-ed published in the Telegraph-Journal last week, after he and his

fellow Liberals had voted against the Conservative motion, Long wrote that he saw "Energy East not just as an important project for my riding, but as a project of national significance. We need to stop playing partisan games. We need to build this pipeline — but first we need to do it right."

The Liberals have announced measures that they say will improve the environmental assessment process for pipelines compared with the approach used while the Conservatives were in office. The National Energy Board has yet to give the go-ahead for public hearings on the Energy East pipeline.

TransCanada's proposed Energy East pipeline would traverse six provinces. Once completed, the pipeline would send 1.1 million barrels of oil per day from one end of the country to the other.

From Hardisty in Alberta, the pipeline passes through Conservative-held ridings in southern Saskatchewan and Manitoba before clipping the Liberal riding of Winnipeg South. From there, the pipeline continues through Tory-held ridings and into northern Ontario through seats held by the Liberals in the west and

the New Democrats in the east.

Turning south, the pipeline then runs through Liberal and Conservative ridings in eastern Ontario and south of the national capital toward the St. Lawrence River. From there the pipeline heads north again into Liberal ridings in western Quebec before moving eastward north of Montreal through four ridings held by the Bloc Québécois.

From the north shore of the St. Lawrence the pipeline heads through ridings held by the NDP and Liberals, crossing under the river and into Conservative ridings on the south shore of the St. Lawrence around Lévis. Finally, after a short trip through an NDP riding in the Bas-Saint-Laurent, the pipeline heads into Liberal-held New Brunswick and southward to Saint John.

The portion of the pipeline running from the Alberta-Saskatchewan border to the St. Lawrence in Ontario is already built, but needs to be converted to take oil rather than natural gas. The rest of the pipeline that crosses into Quebec and through New Brunswick

would need to be constructed.

In all, the pipeline's route passes through 40 ridings, 17 of them currently held by the Liberals, 15 by the Conservatives, and four apiece by the NDP and Bloc. New pipelines would need to be built in 11 of the Liberal ridings, but only six of the Conservative ones.

Because of the variety of regions the pipeline will pass through, Trudeau may have a hot potato in his hands.

In the face of slumping oil prices, the West wants the pipeline built. How will New Brunswick, which expects thousands of jobs to come out of it. Public opinion in Quebec, however, is strongly against the pipeline, and Montreal Mayor Denis Coderre has given voice to that opposition.

Supporting the pipeline poses few problems for the Conservatives. The pipeline already exists in most of the Conservative-held ridings that it will pass through, and its supporters in Alberta and Saskatchewan are clearly behind trying to get the pipeline approved.

The clutch of Conservative MPs in Quebec has an incentive to support the pipeline, which will provide



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crude oil to the Valero refinery in Lévis. One recent survey also suggested that opposition to the Energy East pipeline was weaker in and around Quebec City, where the Conservatives hold seats, than it was elsewhere in the province.

The Liberals are much more likely to feel pressure on both sides of the debate. In addition to holding a few ridings in Quebec through which the pipeline would pass, the party also holds the bulk of the seats in the Montreal region.

Liberal MPs in Ontario will see little direct benefit from the pipeline for their ridings as it winds past and their constituents may consider they instead carry the risks. The mayor of Thunder Bay has already expressed his opposition to the pipeline, which would pass just north of his city (and through its two Liberal-held ridings).

On the other hand, all of New Brunswick is represented by Liberal MPs, and Premier Brian Gallant, has been a vocal advocate of it being built —leading to the Liberal premier debating former Liberal MP Coderre on the merits of the project on Radio-Canada's popular *Tout le monde en parle* talk show.

These intra-Liberal debates are unlikely to dissipate any time soon, as the hearings for the Energy East pipeline could drag on for months.

So far, Liberal MPs seem to be reading from the same page on the issue. But if tensions do not yet exist between those Liberals who represent ridings in which the pipeline will be built (publicly, at least), their constituents may soon put the pressure on them to think differently.

In addition to mediating between rival political leaders from different ends of the spectrum, Trudeau may soon be at risk of having to referee disputes within his own national caucus.

MARITIMERS RETURN HOME AS ALBERTA'S OIL INDUSTRY STRUGGLES

For many people, for many years, working out west was a way of life for those on the East Coast.

But as Alberta's oil industry began to slow, so too did the careers of a good chunk of those who migrated out to the Prairies. And as the future of Canada's energy sector remains up in the air, workers are beginning to make their way home.

Among them is Mike MacDougall, a former Alberta worker who returned to Nova Scotia after being laid off.

"The phone rang one Sunday. They said, 'We no longer need you on the project,'" MacDougall recalled. "Two

days later, my first girl was born."

For the new father, being out of work was a stark change of pace from the seven-days-a-week schedule he was used to.

"You get up in the morning, go to work," he said of his old life. "You go home, eat, go to sleep. You get back up and go to work."

Long stretches of work a long way from home is imbued into the East Coast lifestyle, said Nova Scotia rapper Luke Boyd, better known by his stage name Classified. The 38-year-old has a song called "Work Away" on his latest album that depicts the type of routine he says he sees all around him.

"Getting up in the morning when it's still dark out, kissing the kids goodbye. So many of my friends go out for 2-3 weeks, come home for a week," he said. "That's been going on for years."

But after peaking at a price of around \$140 per barrel in 2008, today, oil has tumbled in value, dropping to around \$30.

"Every day you're hearing of people losing assets. Losing homes," said Duncan Campbell, who has now been laid off for over a year.

"I just figured it was a little bit of a waiting game. But it was a long waiting game. I'm still waiting."

Campbell used to work as a construction surveyor out west. Now he's working at a local call centre as he searches for jobs.

"There are so many people competing for jobs," Campbell said. "Right across the country. It's tough."

And the tough times don't have a clear end in sight. Business professor Doug Lionais said low prices are going to last for an extended period of time -- possibly even dipping lower than they already are.

The effects of a slumping Alberta are being felt in the east as well, he said.

"Construction, housing, our retailers, restaurateurs. They're likely already seeing some of this impact."

Lionais said these situations hurt not only individuals involved in the industry, but society as a whole. Mental health issues, he said, tend to be associated with economic troubles.

"We see issues, unfortunately, of addictions. Domestic violence. Crime. These things can be associated with these types of downturns."

Campbell is guardedly optimistic that things will get better. But he's not holding his breath for a full return to normal.

"I think things will rebound,"

he said. "But it seems every time there's a downturn, things never come back the same."

And then there's MacDougall, whose daughter is now eight months old. Although he was pulling in \$150,000 a year out west, he doesn't intend on trying to return to that life.

He now owns his own electrical company in Cape Breton.

"I just basically pulled the trigger," MacDougall said. "I said I want work for myself, I want to have my own company."

He says he enjoys the freedom of his new job, not to mention being close to his family.

"It's a cool feeling because now every time when you're driving home, you always think, 'I wonder what my little girl learned today.'"

His wife Stephanie agrees.

"He'll be able to be here for birthdays," she said. "We won't have to wait the extra week to cut the cake."

As MacDougall works away without having to be away from work, Boyd hopes others in his community will be able to enjoy similar successes. Ideally, he said, his lyrics won't be quite as relevant down the road.

"Hopefully it will bring back memories of, 'Hey, remember when we had to leave Nova Scotia for work? But now we're here, we've got jobs.'"

HIGH SUPPLIES SEEN CAPPING OIL PRICE UNTIL EARLY 2017

A glut of oil will keep prices from rebounding until next year, much

later than previously forecast, experts at the International Energy Agency said Monday.

A year ago, the IEA, a Paris-based organization of 29 major oil importing nations, had forecast a "relatively swift" recovery. Instead, oil prices have continued to fall, reaching a level below \$30 a barrel last seen in 2003, the IEA says in its latest report Monday.

IEA chief Fatih Birol blamed "extraordinary volatility" in oil markets that has made forecasting "more difficult than ever" for its changed outlook.

"Our analysis of the oil market fundamentals at the start of 2016 is clear that in the short term there is unlikely to be a significant increase in prices," Birol said in the report.

In its report, the agency says oil supplies have surged due to a three-year rise in stocks, a phenomenon last seen in the mid-1990s.

Oil prices have collapsed 70 per cent since mid-2014. That's sent gasoline prices plummeting, with the U.S. Energy Information Agency forecasting an average price of \$1.98 a gallon nationwide this year. The last time oil averaged less than \$2 for a full year was 2004.

The price plunge has led producers to slash spending on exploration and production. Capital expenditure fell 24 per cent last year and is expected to drop another 17 per cent this year, the IEA said -- the first two-year decline since 1986.

On Monday, the price of U.S. oil was up \$1.02 at \$30.66 a barrel.

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