

Canadian provinces feud over Pacific pipeline project

February 9 2018, by Michel Comte



Prime Minister Justin Trudeau has been caught in the middle of a dispute between two Canadian provinces over the expansion of the Trans Mountain oil pipeline

A pipeline project aimed at boosting Canada's overseas oil sales and

reducing reliance on US buyers has pitted two provincial governments against each other, sticking the prime minister in the middle.

The Can\$7.4 billion (US\$5.9 billion) expansion of the Trans Mountain [pipeline](#), which will allow it to carry 890,000 barrels of oil per day from Alberta's oil sands to the Pacific coast for shipping overseas, was approved by Ottawa in November 2016, and "twinning" of the 1,150-kilometer (715-mile) conduit is now underway.

But a newly-elected New Democratic Party (NDP) government in British Columbia announced last week it would block new oil shipments through the province pending a further review of the risk of an oil spill in coastal waters.

British Columbia is concerned that an oil tanker leak could damage its pristine rainforest coastline, putting commercial fisheries and tourism at risk.

The move outraged the NDP government in Alberta, which has been forced to sell most of its oil to the United States at a discount due to a lack of pathways to other markets.

It hit back by walking out on talks to purchase electricity from a massive new dam project in British Columbia and by ordering a boycott of its wines.

Federal opposition leader Andrew Scheer on Wednesday called the interprovincial trade row a "crisis" and urged Prime Minister Justin Trudeau to cut short a US trade mission, return to Canada and "take control of the situation."

"Jobs are being threatened not only in Alberta, but in British Columbia and indeed around the country," he said.

Trudeau told a local talk radio show during a visit last week to Alberta: "That pipeline is going to get built."

But he equivocated when pressed Wednesday before flying south about whether he would step in to end the Alberta-British Columbia feud.

Economy and environment

"Obviously, we're going to continue to make sure that we're standing up for the national interest," he told reporters.

"Canadians know that the environment and the economy need to go together."

Boxed into a corner, Trudeau must defend the federal approval of a pipeline deemed to be in the "national interest" and of economic benefit to this oil-rich country, while trying to maintain his appeal with progressive voters who helped elect him in 2015 on a promise to slash greenhouse gases.

That pledge would require a significant cut in Canada's use of CO₂ emissions, and the Alberta oil sands are the single biggest emitter in Canada.

Further riling his supporters, Trudeau's government unveiled a new, stricter and streamlined environmental and regulatory review process on Thursday for pipelines, mines and other major projects.

But that came too late for the Trans Mountain pipeline, approved under the old regulatory framework, which Trudeau himself has maligned.

Federal NDP leader Jagmeet Singh, who will be tested for the first time in national elections in 2019, also refused to pick sides, but placed blame

for the row on Trudeau for using the outdated environmental regulations to assess the project.

Kinder Morgan, the company behind the project, is reportedly considering legal action to keep its Trans Mountain pipeline expansion on track.

If British Columbia does not back down, chief executive Ian Anderson told the Globe and Mail newspaper "then we're going to have a problem."

"No one wants a trade fight between two provinces," Alberta Premier Rachel Notley said in a video posted on social media.

But, she added, "Our country can't work like this."

British Columbia Premier John Horgan at first promised a strong response to Alberta's warning shots, but appeared to cool off by midweek, saying he would not escalate the trade war.

Federal officials were dispatched on Thursday to try to quell the standoff, but both sides remain at odds.

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