

July 12, 2010

**Federal Sustainable Development Office
Environment Canada**

Via email: sdo-bdd@ec.gc.ca

RE: Federal Sustainable Development Strategy

Thank you for the opportunity to comment on the recent Environment Canada Consultation Paper. The Canadian Energy Pipeline Association (CEPA) is pleased to have the opportunity to respond to the federal government's Federal Sustainable Development Strategy (FSDS). CEPA represents Canada's transmission pipeline companies. Our members are world leaders in providing safe, reliable long-distance energy transportation. Together, our members transport 97 per cent of Canada's crude oil and natural gas from producing regions to markets throughout Canada and the United States via an integrated, continental energy transmission network.

Given the nature of pipelines and energy infrastructure as long-distance, multijurisdictional, long-term energy assets, our sector has a unique perspective and practical experience in implementing best-practices for developing sustainable development plans. We applaud the federal government for releasing the FSDS for comment, which we believe is a critical first step. The remainder of this document is a summary of the pipeline sector's response to the federal government's draft.

Sustainable Development Background

In the 1990s, Canada was a thought leader in developing sustainability practices with a number of roundtables that produced well-aligned and consistent principles. It has been our observation that since then, there has been a lack of overall federal coordination across departments which has led to an erosion of a clear line of sight to the government's collective vision of its expected outcomes, leading to mixed and disjointed policies.

It is critical that all parties recognize that environmental sustainability and sustainable development are not one in the same. While there are many definitions of sustainable development, the concept is broadly accepted as including a balance between environment, economy and social interests. CEPA is supportive of clear environmental sustainability objectives within the broader context of sustainable development. However, the intellectual rigour needed to achieve sustainable development for Canada must not confuse the two.

While the strategy is led from Environment Canada, clearly sustainable development strategy must reflect the fundamental triple bottom line of sustainable development as being social, environment and economic. This is particularly important in addressing matters related to energy. Deeply embedded social needs for reliable, safe, secure and affordable energy are interconnected with energy, the economy and the environment all as drivers to a sustainable future.

Outcomes and a focus on results are what matter. For too long, governments have been approaching environmental decision-making from a process rather than an outcomes based perspective. Much time, money and resourcing is being expended without clear connections to actual sustainable environmental outcomes. CEPA would encourage the federal government in drafting its FSDS to avoid the temptation to focus too narrowly on process without keeping an eye on the desired goals and outcomes of this exercise.

Strategic Approach Toward Results

The FSDS recognizes the need to achieve alignment across numerous (32 in 2002) federal departments and agencies. In seeking to resolve the issue of departments working independently of one another, the government may wish to consider the experience of the Major Project Management Office (MPMO). CEPA long advocated for the implementation of the MPMO to coordinate government-wide decision-making and permitting for major energy projects. Our experience has been that this initiative has resulted in greater sharing between departments, and facilitated cross-departmental dialogue. We believe these developments will lead to equal or better environmental protection, faster decision-making and cost savings for government, stakeholders and proponents through less duplicative work between departments.

We observe that the FSDS is mute on the issue of alignment with the provincial governments. In our opinion, this misses an opportunity for the federal government to forge a new and unique partnership with the provinces, and fundamentally to reflect the Canadian circumstance.

A vision for a sustainable future for Canada, in our view, must take this unique opportunity to carve out a new relationship between the federal and provincial governments. By focusing on critical goals and criteria, positive results can be achieved. For regulation that can include assigning regulatory oversight and using best-placed decision making to meet goals in the most effective and efficient way possible. Reducing or eliminating unnecessary duplication between the two levels of government would free up scarce resources that could be deployed to achieve real environmental improvements. This, however, requires the federal and provincial governments to each find areas in which they are prepared to cede some control to the other.

SMART (specific, measurable, achievable, relevant, and time-bound) targets are fundamental to underpin a successful sustainability strategy for Canada now and into the future. We are pleased to see that the draft FSDS has committed to that approach. Modest, achievable first steps can help build towards early successes and be useful to create momentum and demonstrate the way forward. However, clear objectives and SMART targets must align with achievable outcomes.

As part of this, we believe Canada needs strong and well-funded science to track sustainability indicators. CEPA believes that the federal government must support its commitment to Canadian Environmental Sustainability Indicators (CESI) with sufficient funding so as to ensure its effectiveness. With the impending squeeze on government funding and program reviews, there will be an inevitable temptation to reduce funding for CESI. In our view, this would be a grave mistake. By our estimate, the private sector routinely spends approximately five per cent of a large capital project on environmental assessment. Consider this: on \$100 billion worth of resource projects, this means that \$5 billion is spent on EA alone. In terms of environmental expectations and outcomes would we not be better off focusing EA investment on core issues, spending less but with no lessening of environmental protection, and invest more on monitoring, and following up using solid, measurable, scientific data? Failure to ensure CESI is solid and credible will undermine not simply outcomes, but also industry and government's standing with the public. This is particularly true in areas that directly impact the public such as land-use planning, upholding high environmental standards (air, land, water) etc.

Draft Strategy

For all of the Goals is it critical that the total expected outcomes of the implementation strategies deliver the 2020 target. In several cases that connection appears to be missing thereby undermining the likelihood of success. If the targets are indeed SMART, then the strategies should be able to indicate some notional contribution to meeting the target. Or, where the strategy is an enabler, such as advancing knowledge and communications, it is important to have clear objectives and measures that lead toward the Goal. To reiterate earlier comments, it is also important that resourcing meets the needs for monitoring, tracking and accessing the Canadian Environmental Sustainability Indicators, and that be coupled with federal and provincial collaboration in information management and strategic action.

Summary

CEPA appreciates the opportunity to provide comments on this important Strategy. The need for true sustainable development objectives remains, within which environmental objectives can be clear. The focus on outcomes and a results-based approach is highly useful, provided the plans do explicitly provide a path to meet targets. The federal strategies need to complement and align with provincial strategies and we congratulate the federal government in taking this step to provide an organizing framework for Canada.

Sincerely yours,

[Signed Electronically]

Brenda Kenny
President & CEO