

Ottawa
Parliament Buildings
Ottawa, Ontario K1A 0A6

+1 613-995-1561



Greg McLean
Member of Parliament
Calgary Centre

Community Office
Mount Royal Place, Suite 445
1414 – 8 Street SW
Calgary, Alberta T2P 1E4

+1 403-244-1880

OTTAWA
December 5, 2022

Case ID: 1327528

The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance
House of Commons
Ottawa, Ontario K1A 0A6

Dear Minister,

These past months, I have endeavoured to get a response from a Crown Corporation that reports to your department. As you know, TransMountain Pipeline (TMX) is a subsidiary of Canada Development Investment Corporation.

The New Migratory Birds Regulations, 2022 <https://www.canada.ca/en/environment-climate-change/services/migratory-game-bird-hunting/status-update-modernization-regulations.html> came into force on July 30, 2022 prohibiting construction activities in any area where a pileated woodpecker's nest is discovered. This construction activity ban can extend for three years, according to the new regulations.

No sooner were the regulations Gazetted in Canada Gazette II on June 8, 2022, than a pileated woodpecker nest was discovered at Bridal Falls, British Columbia, along the construction route of the TMX expansion. My understanding was that construction was halted, as a result, as reported by the Vancouver Sun on June 23, 2022.

My office and I sought clarity on this matter directly with TMX throughout the summer, and the responses we received from the corporation's public affairs and parliamentary relations officials were either a display of obfuscation or complete incompetence.

The matter escalated when your Parliamentary Secretary, Terry Beech (who was informed by someone other than me) reached out to me to ask if he could help with the matter. I will accept any assistance in getting to the bottom of this matter, so I was pleased with his offer, although I know not how he became informed of my concern.

We still have heard nothing.

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The TMX expansion is an illustration of how badly governments and their crown entities manage business activities. There is no Canadian businessperson that can fathom the cost increase of over \$10 billion in this pipeline expansion. There is no new pipe – the volume of material is the same; the route is largely the same; the construction activity is largely the same; the amount of labour required is largely the same. To suggest that the ‘process’ of approval resulted in an additional \$10 billion outlay of taxpayer dollars is bewildering and begs the question of an audit for more fulsome disclosure of where the funds have been spent, and who has benefited from this government largesse. But to suggest that this project has been mismanaged by a crown corporation that reports to you and your officials would be a gross understatement.

The lack of transparency in cost accretion, and in the process of constructing this vital infrastructure requires some assiduous oversight – that appears to be sorely lacking.

My request for information on the delays associated with the discovery of a pileated woodpecker nest illustrate how non-transparent this entire operation has become.

My requests are specific;

- ***Has the construction of TMX at Bridal Falls been delayed for the full summer?***
- ***If so, when is the expected date for re-commencing construction activity at this site?***

To be clear, this is a new regulatory hurdle, introduced after the approval of the TMX expansion, and midway through much delayed construction. Lets acknowledge that introducing new regulatory hurdles post-project approval continues to build on the lack of confidence that investors and project proponents have on the ability to advance economic activity in Canada.

The larger loss for the people of Canada is not just the \$10 billion of extra taxpayer funds that have been filtered in to ‘process’ and entities affiliated with the re-approval of the TMX expansion – but the delay in having this project deliver value to Canadians and our allies that would like to depend upon us as a provider of resources derived in a more environmentally-sound manner than the resources they currently consume. Indeed, British Columbia imports resources from offshore to fuel their economy, and the neighbouring refineries in the United States were processing Russian oil, prior to Putin’s aggressive invasion of Ukraine. We have been complicit in building that regime’s economic power prior to the invasion.

The TMX pipeline is much delayed. This summer, Canada’s most highly traded oil export blend – Western Canada Select (WCS) traded, at times, at a US\$20 discount to the North American benchmark – West Texas Intermediate (WTI). That discount, when accounting for quality differentials and distance from markets, should amount to app. US\$10. Recognize that our trade value is diminishing because of our lack of egress to markets – and the TMX expansion would provide that egress to some diversified markets, which we currently lack. It would change Canada’s monopsony position as a resource supplier to only the United States. At roughly 4.4 million barrels per day of WCS export (some of which is re-imported as finished product at world price), the economic penalty Canadians are paying for the delay in building market egress for our resources amounts to US\$44 million per day – or almost C\$60 million per day. That is the equivalent of losing C\$22 billion per year from the Canadian economy. This economic loss is a

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direct transfer of value from Canadians to our major trading partner. The value does not disappear, it moves elsewhere. As Canada's Minister of Finance, you must realize the impact this has on our economy, our balance of trade, our foreign exchange rate (where we currently overpay for everything we import) and our various governments' revenue collections.

The ongoing national losses caused by the delays your Crown Corporation's subsidiary is costing Canadians is measurable and very punitive to our economy.

Please intervene and get these hurdles dealt with as quickly as possible.

I await your response.

Regards,

ORIGINAL SIGNED BY

Greg McLean, M.P.
Calgary Centre

Enclosure (1) Media Report – [Woodpecker nest halts construction of TMX pipeline near Bridal Falls | Vancouver Sun](#)

Woodpecker nest halts construction of TMX pipeline near Chilliwack

VANCOUVER - The discovery of a woodpecker's nest has halted construction of the Trans **Mountain pipeline** along a 400-metre stretch near Chilliwack, B.C.

A statement from Trans Mountain Corp. says buffer zones around trees and vegetation have been marked with rope signs and flagging tape near Bridal Falls where the red-breasted sapsucker has been seen nesting.

The Crown corporation says the area will not be cleared until there's confirmation from a wildlife resource specialist that no nests are active, which would be the end of nesting season. Sarah Ross of the Community Nest Finding Network says the group first noticed bird nests in tree cavities in early June and alerted local authorities.

She says while the red-breasted sapsucker nest is easily visible from the ground, the area also has other birds that build homes in trees during this time, with the nesting season lasting until about the end of August.

The **pipeline** expansion was expected to be completed this year, but that date has now been moved up to the third quarter of 2023 after the pandemic and November's floods in B.C. forced the delays.