

WHEREAS the energy sector contributes approximately \$9.5 billion (four-year average) in annual royalties, bonuses and crown land sales from the oil and gas industry (Source: Alberta Energy);

WHEREAS Canada's oil and natural gas sector provides 20 per cent of the Alberta government's revenue (Source: CAPP);

WHEREAS Canada's oil and gas sector can create jobs for more than 315,000 Albertans (Source: CAPP);

WHEREAS the devastating impacts in the downturn of the economy have been felt by all Canadians, businesses and government;

WHEREAS to maximize the value of Canadian resources, market access is paramount;

WHEREAS On June 30, 2016, with respect to the Northern Gateway Project, the Federal Court of Appeal found that although the Joint Review Panel's recommendation was acceptable and defensible on the facts and the law; concluded that the Federal Government's consultation with First Nations and Métis peoples was insufficient and therefore incomplete.

NOW THEREFORE BE IT RESOLVED that the Alberta Urban Municipalities Association advocate for market access and write a letter to the federal government requesting that they conduct new consultations with the First Nations and Metis communities along the pipeline route prior to re-determining whether to approve or deny the approval of the Northern Gateway Project.

NOW THEREFORE BE IT RESOLVED that the Alberta Urban Municipalities Association write a letter to the Alberta government asking them to voice their support of the Northern Gateway Project.

BACKGROUND:

Albertans Support Northern Gateway

In June 2016, communities along Northern Gateway’s route expressed their support for Northern Gateway’s extension request by sending letters to the National Energy Board including:

- 20 out of 20 Alberta communities along pipeline route
- 17 out of 18 First Nations and Métis communities
- Unanimous support from the Alberta Chamber of Commerce

Putting Albertans Back to Work

- With the current downturn in our economy, Alberta is losing our highly skilled work force. Northern Gateway will keep these people here to maintain and grow Alberta’s skilled labour base.

Total construction employment opportunities in Alberta*

Grande Prairie Area	Whitecourt Area	Sturgeon County / Strathcona County Area
<p>Construction taking place over 3 Phases:</p> <p>Phase 1 (Pipelines) 1,105 people</p> <p>Phase 2 (Pipelines) 440 people</p> <p>Phase 3 (Pump Station) 71 people</p> <p>1,616 total people working over 3 phases</p>	<p>Construction taking place over 3 Phases:</p> <p>Phase 1 (Pipelines) 517 people</p> <p>Phase 2 (Pipelines) 318 people</p> <p>Phase 3 (Pump Station) 68 people</p> <p>903 total people working over 3 phases</p>	<p>Construction taking place over 2 Phases:</p> <p>Phase 1 (Pipelines) 297 people</p> <p>Phase 2 (Pump Station) 61 people</p> <p>358 total people working over 2 phases</p>

**note: employment opportunities includes temporary, part time and full time jobs taken from Volume 6C of the Regulatory Application*

What kind of skilled Alberta tradespeople/opportunities will be created by Northern Gateway?

Construction	Operations	Business Opportunities
<ul style="list-style-type: none"> • Boilermakers • Carpenters • Electricians • Ironworkers • Labourers including trade helpers • Operating engineers/heavy equipment operators • Pipefitters • Truck drivers • Welders 	<ul style="list-style-type: none"> • Control room technicians • Heavy equipment operations • Maintenance and service pump stations • Monitoring pipeline corridor • Road maintenance • Tank farm operations 	<ul style="list-style-type: none"> • access roads • air charters • camps and catering • clear, log and salvage • fuel supply • environmental monitoring and reclamation • security • surveying • trucking

Long-term Jobs in Alberta

- Northern Gateway will provide 380 long term operational jobs in Alberta
- Northern Gateway is committed to hiring local residents for all direct operational jobs.

Timeline of Key Events

- **June 2014:** Northern Gateway receives certificates from National Energy Board
- **October 2015:** Certificates is challenged in Federal Court of Appeal

- **June 30, 2016:** Federal Court of Appeal finds that the Joint Review Panel recommendation was acceptable and defensible on the facts and the law. **However, it concludes that the Federal Government's consultation with First Nations and Métis peoples was insufficient** and therefore incomplete. In a two-thirds majority decision, **the Federal Court of Appeal overturned Northern Gateway's approval certificates** and puts the matter back to the Federal Government.

The Federal Government now has three choices:

1. Deny the application (effectively cancel the project)
2. Conduct new consultations with the First Nations and Métis communities along the pipeline route and re-determine whether to approve the project.
3. Refer the matter back to the NEB.

The Federal Government has not indicated how it will proceed but it is expected to make a decision in late 2016.

Why is Northern Gateway an Emergent Issue Now?

- Prior to June 30, 2016 Northern Gateway had its approvals and was on a path to construction.
- Now that the approvals have been overturned, it is important for supportive communities to step up their efforts and advocate that:
 - the Government of Alberta work with local supportive communities and publicly support this critical infrastructure project for Albertans
 - the Federal Government complete the necessary consultation with First Nations and Metis Peoples, as well as engaging with local communities on the importance of this project and ultimately approve the project
- This advocacy work needs to happen prior to the Federal Cabinet making a decision.

Why Northern Gateway is Critical to All Albertans

- One of Alberta's most valuable resources is crude oil, but 99% of all our oil exports go to the United States, now one of our biggest competitors, who purchases our crude oil at deeply discounted prices.

- Northern Gateway will provide significant access to other international markets and allow Albertans to get a better price for our crude oil.
- Getting a better price for our crude oil means more royalties collected by the Government of Alberta which can be invested in Alberta schools, universities, hospitals and infrastructure.
- With the serious decline in Alberta's economy due to low oil prices, there is growing momentum for increased international market access for our natural resources.
- Northern Gateway will provide significant access to new markets in the Pacific Rim to secure fair market prices for Alberta's oil.

Alberta Investment

- The recent dramatic drop in oil prices coupled with the lack of pipeline infrastructure is not only affecting future production, but also jeopardizing existing Canadian oil production.
- The significant decrease in oil prices has negatively impacted levels of investment and employment.
- Northern Gateway will provide a badly needed multi-billion dollar private infrastructure investment in Alberta's future including spending \$1.5 billion in Alberta communities.