



The Irving refinery in Saint John is the largest in Canada, with a capacity of 300,000 barrels of oil per day. Nearby Saint John Harbour is the deepest on the east coast of North America. Irving Oil photo

# West-East Pipeline: A Question of National Interest

David Alward

With the proposed West-East pipeline, New Brunswick has a huge opportunity to play a key role in strengthening our provincial and national economies. Among its benefits, the project would not only create jobs in New Brunswick. It would open up new markets for one of Canada's most important exports, help Canada get better prices for its oil and reduce our dependence on imported crude. Premier David Alward sees New Brunswick as Canada's next energy powerhouse, and Saint John as the anchor of that powerhouse.

At the founding of our country, Canadians built a railway from east to west. This visionary pan-Canadian project was essential to the building and strengthening of our nation. Without it, Canada as we know it today would most certainly not exist.

Today our country faces significant economic challenges from forces originating largely beyond our borders. New Brunswick is not immune to the effects of these forces. Thus rebuilding and strengthening our economy, creating jobs here and enhancing quality of life for our families are our top priorities.

New Brunswick has a huge opportunity to play a key role in strengthening our provincial and national economies. Just as our country's founders tackled the task, we are on the cusp of another critical nation-building project – a west to east pipeline bringing western Canadian crude oil to Saint John, New Brunswick. This pipeline will be as important to our nation's economic future as the railway was to our past.

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This is about building our nation, strengthening our national economy, increasing our exports and our energy security, and creating good jobs for our citizens.

Although I'm very excited about what this means for New Brunswick, I'm equally excited about what it means for Canada. I first spoke nationally about the West-East pipeline more than a year ago at the Economic Club in Toronto, to a very enthusiastic audience. I reiterated the message and again saw the enthusiasm for this project from across the country this spring. We share this enthusiasm with premiers across the country, several of whom I have met recently to discuss this project, and with business leaders and financial institutions across the country.

I have also met with Prime Minister Stephen Harper and Natural Resources Minister Joe Oliver and I appreciate their support for this project.

Among its benefits, this project would:

- Open up new markets for one of Canada's most important exports;
- Help Canada get better prices for its natural resources;
- Reduce our dependence on imported crude;
- Increase security of oil supply to Eastern Canada and the American northeast;
- Add value to Canadian crude by refining it at refineries in New Brunswick, Ontario and Quebec and
- Create new jobs and new opportunities across the country.

There will be huge benefits, both direct and spin-off, generated by this important project, including new jobs, good high-paying jobs, and investment in every region of our province.

**W**e understand the importance of this pipeline to creating jobs here. Because New Brunswickers in every single community in this province likely

have a family member or good friend who is working in the oil and gas industry somewhere in Canada or the around the world.

I want to see the day when the mother or father, the son or daughter leave their New Brunswick home in the morning to go to work in the development of natural resources, they will return for dinner that night, not weeks or even months later.

But we must not forget that this is a critically important project that will benefit all of Canada and all Canadians by adding value to our resource and our exports.

A west-east pipeline will strengthen Canada's economy and stimulate new growth and jobs in every region and community of our province.

- We will no longer sell our oil at discounted prices, costing us between \$30 and \$70 million a day according to the Canada West Foundation
- We will no longer be as reliant on higher priced imported crude oil
- We will add value to it right here at the Saint John refinery
- We will increase our exports by shipping it to an energy hungry world.
- We will create quality jobs here in Saint John, throughout the province and across Canada.

Saint John and New Brunswick have key assets to make this project a success. As Canada's energy gateway to New England and the Atlantic Basin, New Brunswick's geographic location continues to play a strategic role in serving our nation's energy needs and export potential. New Brunswick has robust electricity connections with Quebec, Prince Edward Island and Nova Scotia, as well as the State of Maine.

We have a liquefied natural gas terminal, Canaport LNG, that can deliver up to one billion cubic feet per day of natural gas into the international northeast market during seasonal periods of peak demand.

The Irving Oil Refinery in Saint John is Canada's largest and most modern. It has a capacity of 300,000 barrels per day, which would allow it to refine crude oil for both domestic and export markets, creating significant value for Canadian oil producers, pipeline operators, refiners and Canadian workers across the country.

To help get those exports to international markets, the Port of Saint John is the deepest on the east coast of North America.

New Brunswick has year-round, ice-free access to some of these emerging markets via shorter shipping routes than many other North American ports, including those on the west coast and US gulf coast. In addition, the Port of Saint John has over 50 years of history and experience in handling some of the world's largest crude oil carriers in a safe and environmentally responsible manner. Access to tide water for Western Canadian crude oil will transform North America's energy markets.

With a long tradition of large industrial operations, Saint John has a highly skilled workforce.

**This project will require a significant and long-term operational commitment from Western Canadian oil producers, and will ultimately be judged on its economic and environmental merits. However, government support and approvals will also be required at both the federal and provincial levels.**

New Brunswick welcomes the opportunity to work with Canadian oil and natural gas producers and other provinces in an effort to develop this west-to-east crude oil pipeline. Collectively, we can develop new markets for our country's energy resources and refined petroleum products in the Atlantic Basin and rapidly expanding economies of the Asia Pacific region.

**W**e recognize that this project will require a significant and long-term operational commitment from Western Canadian oil producers, and will ultimately be judged on its economic

and environmental merits. However, government support and approvals will also be required at both the federal and provincial levels. Here in New Brunswick, both political parties in our Legislature have unanimously passed a resolution supporting the project.

TransCanada's recent announcement of an open binding season seeking firm commitments of interest in the proposed pipeline was a necessary and encouraging step in this process. In fact, we in New Brunswick view it as a milestone of national significance.

We will work with the federal Canada in coordinating the project permitting process, while ensuring a thorough and rigorous environmental impact assessment. We will also continue to work closely with other provinces, such as Quebec and Alberta, in ensuring that the project provides tangible benefits for all jurisdictions and their citizens.

We are very proud of our province's growing oil and natural gas sector, which is comprised of a wide range of industrial and commercial activities, including oil refining, natural gas pro-

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duction, transmission and distribution, electricity generation from natural gas, petroleum retail, and related administration and transportation activities. The sector is an important contributor to New Brunswick's economy, providing direct employment for an estimated 7,500 New Brunswickers in a wide range of retail, administrative, professional, technical and engineering occupations.

We recently released the *New Brunswick Oil and Natural Gas Blueprint*, reinforcing our province's strong commitment to developing our oil and gas sectors. The proposed Energy East project provides a truly unique opportunity to provide increased energy security and create new value-added economic activity and greater prosperity for the benefit of all Canadians.

I want to emphasize that point. Seeing this proposal become a reality will

indeed benefit Canadians across the country. In an era of fiscal challenges and pressures to reduce government debt, the new revenues that will flow from this pipeline will help continue to fund the services our citizens expect and need from their governments.

We envision New Brunswick as Canada's next energy powerhouse and Saint John as the anchor of that powerhouse. If we proceed, this project will strengthen our national and provincial economies and create jobs and economic growth today and for generations to come.

But first we need this project to proceed. We stand ready to move forward enthusiastically on the upcoming steps in this new historic initiative to strengthen our province and our nation. **P**

*David Alward is Premier of New Brunswick.*



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