



Backgrounder:

Managing Canada's resource wealth in the interests of Canadians and the environment

JANUARY 2014



UNIFOR
theUnion | lesyndicat

Unifor Members and Canada's Resource Wealth

Unifor represents tens of thousands of Canadians employed in a wide range of natural resource-based industries, in all regions of the country.

These members work in many different sectors, including:

- Mining, smelting, and processing (including nickel, aluminum, uranium, copper, salt, and many other mineral products).
- Petroleum and natural gas (including extraction, processing, pipelines, and refining).
- Forestry and forestry products (including sawmills, pulp and paper, and wood products).
- Agricultural products and food processing.
- Electricity generation and distribution.
- Fisheries and fish processing.
- Transportation and infrastructure activities related to resource developments (including trucking, railways, and pipelines).
- Manufacturing, construction, and industrial service activities which feed into resource industries (such as mining machinery and equipment).

Moreover, our members in resource industries work in all producing and consuming regions of Canada – from extraction to processing to distribution to final consumption. From coast to coast, and even offshore, Unifor members play an essential role harvesting our natural resource wealth, adding value to it, and delivering it to consumers.

Unifor members, therefore, like all Canadians, thus have a vast stake in the future prosperity of Canada's resource industries. And like all Canadians, we are intensely concerned that Canada's resource wealth is managed in the long-term interests of working people, their communities, and the environment.

Canada's economic history has been fundamentally shaped, for better and for worse, by our resource industries. The prosperity of millions of Canadians depends on how well we manage our resource wealth in the future: how resources are harvested, how the environmental consequences of resource industries are regulated and managed, how the benefits of resource production are shared, and how successfully we use our resource base to leverage other jobs and economic opportunities.

Key Principles for Managing our Resource Wealth

Unifor is a brand new union, and it will take time for our new decision-making bodies (our triennial conventions, our annual Canada Council, and our many regional and industry council bodies) to begin addressing the many complex issues facing Canada's resource industries.

The two founding unions that created Unifor (the Canadian Auto Workers and the Communications Energy and Paperworkers) had both developed extensive policy statements over

the years, describing their approach to natural resources, energy, and the environment. These policies will continue in effect until such time as Unifor develops and adopts new statements and policies. These pre-existing policies include broad policy visions, demands for specific government reforms, and detailed interventions around specific issues (such as pipeline approvals and other regulatory decisions). Links to several of those past CAW and CEP policies and documents are provided below.

As we confront the economic, social, and environmental challenges associated with resource developments, Unifor will continue to apply several core progressive principles. These are the principles that guided our two founding unions in the past, and they will continue to be reflected in our future interventions and policies. These core principles include:

- **Stability.** We must move beyond the roller-coaster pattern of development which typified Canada's resource past. We must regulate growth, investment, and expansion carefully, so resource workers and their communities can enjoy stable, secure livelihoods - rather than suffering through repeated but short-lived booms and busts.
- **Sustainability.** Resource industries confront the environmental limits on economic activity growth more directly than any other sector of our economy. After all, harvesting resources from nature (including the air we breathe, the water we drink, the land we live and work on, and the raw materials we use in all forms of work) is the first step in all economic production. Other parts of the economy - including transportation, manufacturing, and even services — all depend on inputs provided directly or indirectly from the resource sector. Therefore, the relationship between the economy and environment must be managed carefully and sustainably, so that our future well-being is not undermined by shortages of resources and/or the declining quality of the environment. The enormous global problem of climate change is the most pressing example of this overarching challenge. Other environmental side-effects of resource development include land and habitat destruction, disappearance of species, and other forms of air and water pollution. Improving the environmental performance of resource industries will require many strong measures, including careful limits on the scale of operations and the pace of expansion (especially important in Alberta's bitumen industry); imposing strict regulations on emissions and waste; fostering energy conservation and green energy sources; and requiring resource companies to internalize the cost of environmental clean-up. For renewable resource sectors (like forestry and fish), another key challenge is regulating the pace of harvest so that stocks are not depleted.
- **Respect for First Nations Rights.** Canada was never an "empty land." Almost everywhere that resource extraction occurs in Canada, is inhabited by our first peoples. It is thus a precondition for successful and sustainable resource production that the legal rights of First Nations regarding the ownership and use of resources and land are fully respected, that First Nations are full and willing partners in resource developments, and that First Nations communities are given priority opportunities to benefit from the jobs and incomes generated by those developments.

- **Adding Value in Canada.** If left to the profit-maximizing decisions of private corporations, the Canadian economy would be pigeon-holed into the narrow function of the extraction and export of raw resources. Past waves of resource development in Canada have proven the dangers of this narrow “extractivist” approach: once the resource is depleted (and/or demand and prices have fallen), the only lasting legacy is devastated communities and environmental damage. Unifor is intent on leveraging Canada’s resource wealth into broader and more lasting economic development. This requires pro-active measures to require Canadian processing, refining, and secondary manufacture of our resources. It also requires deliberate efforts to increase Canadian content in the various inputs and supplies that are purchased by resource industries (such as machinery, equipment, and services). In this manner, the economic benefit to Canadians from resource developments can be enhanced. We advance this key demand for Canadian content in all the resource sectors where our members work: including energy, mining, forestry, and fish.
- **Canadian Jobs.** Unifor aims to maximize the creation of good jobs resulting from resource production. This task is all the more important given the limited job content of many capital-intensive resource products. (For example, every \$1 billion of GDP in oil and gas production creates only one-half a job – compared to 10 jobs in manufacturing, 8 jobs in construction, and 10 jobs in transportation.) Strong Canadian content rules (requiring more upstream supplies and inputs, and more downstream refining and processing) can help. So can rules requiring resource producers to create sustained local jobs as a condition of development approvals and other regulations. The Temporary Foreign Worker program has created super-exploited pools of workers, unprotected by normal labour or legal standards; any additional workforce needs of resource industries should be met through permanent immigration, rather than abusive temporary migration schemes.
- **Transition and Adjustment.** The ups and downs of resource development impose tremendous strains on workers, who face job insecurity, pressure to relocate (often to remote locations), and disrupted lives. Our efforts to create good, sustainable jobs in our resource industries will require pro-active training and skills programs. As we shift the focus of our energy strategy from simple bulk extraction, to emphasize upgrading, refining, and value-added, we will need to assist affected workers and communities to take advantage of the new opportunities. The same is true of our ambitious plan to create new jobs in green energy (including alternative and renewable energy sources, public transit, and energy conservation investments). There is no reason why employment and security should be threatened by the transition to a greener economy: in fact, if we do it right, workers will benefit.
- **Macroeconomic Regulation.** Resource booms and busts can have adverse consequences for the overall national economy, not just specific resource regions. For example, the dramatic inflow of foreign capital into bitumen projects in recent years has been a key factor pushing the value of the Canadian dollar far above its fair value; this in turn has caused major economic damage to all of Canada’s other export-oriented industries (including manufacturing, services, and tourism). Government must be pro-active in

regulating the macroeconomic and fiscal side-effects of resource activity, including intervening to stabilize the exchange rate. A strong network of fiscal transfers within Canada must also be maintained in order to share the benefits of resource developments more broadly, and prevent the emergence of large regional inequalities.

- **Sharing the Gains.** The resource wealth of our country belongs to Canadians, not to the corporations (including many foreign corporations) which are given licenses to extract it. Governments must take an active approach to ensuring that Canadians receive fair long-run value for their resources. Government royalties in petroleum and mining sectors must reflect the real long-term value of those non-renewable resources – instead of cutting royalty rates to boost short-term profits and exploration activity. In particular, royalties collected in the petroleum industry (including bitumen projects, and offshore developments in Atlantic Canada) are offensively low, and must be raised as a key priority of energy policy. Higher corporate income taxes must be imposed on resource corporations, so they pay their fair share towards Canada’s physical and social infrastructure when they are making high profits. Deliberate efforts (such as project benefit agreements) must be made to allow targeted groups (including First Nations, and other workers who regularly experience economic exclusion) first chance at participating in new resource-based opportunities. Labour laws must ensure a realistic balance of power between resource workers and the enormous global firms they work for, so that workers (with the help of their unions) can win wages and pensions commensurate with their effort and productivity.
- **Regulating Foreign Ownership.** Resource industries are traditionally subject to large inflows of foreign capital – but then they can experience equally dramatic outflows when commodity prices inevitably turn down. The federal government has a crucial responsibility to carefully regulate incoming foreign direct investment; prohibiting it entirely in some sectors (potentially in petroleum, uranium, and other strategic assets); and negotiating binding undertakings from those foreign firms whose investments and projects are approved. The experience of recent foreign takeovers in resources (like the buy-outs of Inco, Falconbridge, and Alcan, which produced plant closures, layoffs, and several long strikes and lockouts) proves that when a crucial Canadian productive asset becomes merely one cog in the wheel of a global corporation, Canadian workers, communities, and economic performance will all suffer. In some cases (such as petroleum, electricity generation, and others) public ownership could also play an important role in ensuring our resources are utilized in a sustainable, socially beneficial manner.

Our vision is to build a vibrant, productive, and sustainable resource sector. Our resource industries can supply the natural inputs necessary for all other economic activity, generate good jobs for working class Canadians, help to pay our bills in global trade, and respect the need for environmental protection. Achieving our vision of a truly wealth-creating resource sector would be a remarkable and progressive step forward for everyone in Canada.

We do not oppose resource production in any general sense: remember, all economic activity starts by harvesting what we need from nature. Rather, we work pro-actively to build a resource sector that is sustainable, and that benefits working people, their communities, and Canada's entire economy. We are inspired by the example of progressive models in other countries (such as Norway) who have shown that it is possible to maximize the social benefits from resource production, and minimize the environmental costs, using policies such as regulation, taxation, strong labour standards, and public ownership.

Jobs and the Environment

People around the world are increasingly concerned, and rightly so, with environmental protection and sustainability; climate change is the most important of the many environmental challenges which human civilization must collectively address in coming years. Resource industries face a special challenge, and bear a special responsibility, in that effort. Resource production and processing will always be critical to the economy: after all, no other production is possible without the initial materials harvested from nature. But the process of harvesting and processing resources must change to become sustainable, fair, and socially beneficial.

Unifor rejects the false conflict often posed between “jobs” and the “environment.” Resource companies lobbying for weaker environmental rules often claim that resource jobs will disappear if environmental goals are taken seriously. This is not true; in fact, in many instances stronger environmental standards can lead to *more* work (and more *stable* work) in the long-run. A carefully managed, sustainable approach to resource production is much better than the short-run boom-and-bust employment cycles so typical of resource industries in the past.

Some environmental activists also reinforce, perhaps inadvertently, this apparent but false choice between having a job and protecting the environment. Some call to fully and immediately cease certain polluting activities – or, following a “not in my back yard” logic, demand simply to locate that activity somewhere else. Where important but

polluting industries exist, we cannot argue simplistically to “shut them down.” That would be grossly unfair to the workers and communities which depend on that industry, it would create economic consequences for many other Canadians, and it would undermine political support for environmentalism (since most Canadians, when pushed, will not support policies, however well-intentioned, that they believe threaten their employment and economic security).

A more positive and effective approach will be to challenge resources industries and regulators to improve the environmental performance of affected industries; limit new developments in line with environmental targets; make major investments (both private and public) in pollution-reducing



technologies and green infrastructure; and maximize the Canadian value-added from whatever resource projects we collectively decide are desirable and sustainable.

The simple fact is that working people need *both* secure jobs *and* a healthy, sustainable environment. The two must go together. Enormous economic benefits would be generated by a green economic strategy, including energy conservation and retrofits; expansion of public transit; development and production of energy-saving vehicles; clean-up of environmental damage; and more. We imagine an expansive agenda of private and public investment – all aimed at protecting the environment by doing more work, not less. Mobilizing economic resources to address pollution and protect the environment can and should be a powerful source of future growth, job creation, and prosperity.

A Common Struggle

As a union fully committed to a progressive social and environmental agenda, Unifor works to build strong alliances with the environmental movement at all levels. This includes our efforts to advance environmental goals in our own workplaces, even using collective bargaining to make progress where possible. For example, our local bargaining committees have negotiated the establishment of joint environment committees in our workplaces; initiatives to reduce energy consumption and waste; and better controls on hazardous chemicals and other pollutants. Our network of workplace and local environment activists constitutes an environmental movement in its own right: mobilizing to advance a green agenda in our workplaces, inside our union, and in society at large. Building on the positive efforts of our two founding unions, Unifor will also continue to play a central role in key labour-environment coalitions, and other joint initiatives, including (among others):

- Green-Blue Alliance
- Green Economy Network
- Climate Justice Project
- Work in a Warming World
- Canadian Youth Climate Coalition

We also make a full commitment to broader social justice coalitions (such as Common Causes and the Council of Canadians) which also challenge the unjust, unsustainable direction of Canada's economy. Unifor knows that protecting the environment is crucial to our members, and all of society, both as workers and as human beings.

From the opening moments of our founding convention on Labour Day weekend, 2013, Unifor also explicitly recognized the collective debt we owe to First Nations, and pledged its full solidarity with their struggle for economic and social justice – including their efforts to wrest control over resource developments on their own lands. Unifor locals and activists are already mobilizing to support initiatives like Idle No More, the movement for justice for murdered and missing aboriginal women, employment equity and training opportunities for aboriginal workers, community development in First Nations communities, and more.

A National Energy and Environmental Strategy

The unregulated, profit-driven expansion in Canada's petroleum industry (and new bitumen developments in northern Alberta, in particular) have caused many economic, social, and environmental problems. To be sure, jobs have been created through this 'gold rush' development model – but not enough good, secure, Canadian jobs. The potential to use petroleum wealth more carefully to maximize employment, has been squandered in the rush to extract as much petroleum, as quickly and as cheaply, as possible. The exploitation of workers in northern Alberta (including temporary foreign workers), rampant inflation in living costs, and chronic job insecurity as the whole industry lurches from boom to bust and back again, have all undermined the potential economic benefits that *could* be generated by this industry.

A key concern, of course, is the impact of unregulated bitumen expansion on Canada's overall greenhouse gas emissions. The bitumen industry, oriented so heavily around extracting the raw resource and exporting it to other countries, has been by far the largest single Canadian source of new GHG emissions – more than offsetting the emissions reductions from other measures (such as the important and expensive phase-out of coal-fired electricity generation in Ontario). Bitumen production generates more GHG emissions per barrel of final output than conventional oil, so it is essential that the industry's overall scale be carefully controlled in line with the implementation of new national GHG targets. Without a national strategy to regulate and reduce GHG emissions, the unbridled expansion of bitumen production will more than offset all other emissions-reduction efforts in other parts of Canada (such as the important phase-out of coal-fired electricity generation), and hence defeat our overall goal of contributing to global efforts to slow and limit climate change.

Canada desperately needs a national energy strategy – not just to regulate the bitumen industry, but to sensibly integrate all our energy sources, meet the energy needs of Canadian consumers and industries, create good jobs, and protect the environment. Ensuring greater use of Canadian-made inputs, Canadian processing and refining, and benefits for Canadian consumers must be top priorities of a national energy strategy – instead of leaving all these decisions in the hands of profit-seeking (often foreign-owned) corporations. Total bitumen output must be capped, within environmental targets. And whatever we do produce should be directed first to Canadian consumers – requiring maximum Canadian value-added at all stages of the supply chain (including inputs, services, upgrading, and refining). The bulk export of raw bitumen must be stopped: it is destructive and wasteful, both economically and environmentally. The overall contributions of all the various energy forms (including conventional petroleum production in both Western and Atlantic Canada, hydro, coal, and renewable sources) must be planned and coordinated.

Unifor calls for a process involving all stakeholders to develop and implement a comprehensive national energy and environmental strategy. This process must involve the federal and provincial governments, the energy industry, consumer groups, organized labour, the environmental community, First Nations groups, and others. The goal is to develop and implement a strategy to utilize Canadian energy wealth, first and foremost to meet the energy needs of Canadians, in a manner that is environmentally responsible and socially beneficial.

Our current federal government is fully committed to the unregulated expansion of export-dominated extraction; for them, even the phrase “national energy strategy” is a dangerous and subversive notion. But most Canadians instinctively reject the vision that Canada should become solely a supplier of raw energy to other nations (whether that is the U.S. or Asia). We know our country can, and must, aim higher. We know that our resource wealth can and must be used to spur broader, more lasting economic development. Campaigning for a national energy and environmental strategy is a way to marshal those hopes. As Unifor moves to establish its new Energy Council (linking all energy-related local unions and bargaining units, from both the former CEP and CAW), developing our own vision for such a strategy, and advancing it at every opportunity (including at the 2014 meeting of premiers, which will also discuss the need for a national energy strategy), will be a top priority.

Pipelines

Pipelines are an important part of Canada’s energy infrastructure. There are tens of thousands of miles of energy pipelines in Canada, linking production fields, processing facilities, distribution networks, and final consumers. Pipelines are a relatively safe and efficient means for transporting petroleum and natural gas. The construction of a national grid of pipelines was an important contributor to our national development – much like building the TransCanada Highway or the St. Lawrence Seaway. And like other infrastructure investments, pipelines can generate important economic benefits from their construction and operation. Unifor represents many workers engaged in the petroleum and natural gas processing and distribution industry.

Of course, pipelines (like any other mode of transportation) must be carefully regulated, with special ongoing attention to safety and security. Pipeline companies must face constant oversight, to ensure the safe and reliable operation of their facilities, ongoing maintenance, rapid response to accidents and spills, and fair pricing for consumers (given their often near-monopoly powers in specific markets). The construction and operation of pipelines must also be preconditioned on acceptable agreements with First Nations and other communities affected by the pipelines.

Intense debates have erupted in Canada, the U.S., and elsewhere regarding industry proposals for enormous new petroleum pipelines. These proposals have been motivated mostly by the enormous, unplanned expansion of bitumen production in northern Alberta. The current short-sighted thinking of the federal and Alberta governments allowed many large new bitumen projects to be constructed, without addressing the many infrastructure needs associated with that boom – including transportation, housing, and social infrastructure. The industry also neglected to imagine how all that new production would be delivered to final purchasers. (Unfortunately, most of their intended customers are outside of Canada; as discussed above, the bulk export of raw bitumen dramatically undermines the potential economic benefits of this industry to Canadians.)

Major export pipeline proposals currently before regulators in Canada and the U.S. include Keystone XL, Northern Gateway, and the Trans Mountain expansion. A previously approved expansion to Enbridge’s Line 67 export pipeline is now being constructed (see sidebar: “Pipeline



Primer”). Together these 4 projects alone would increase Canada’s exports of raw petroleum by 2 million barrels per day, and give a massive boost to additional bitumen expansion – at a time when the environmental consequences of bitumen production are growing.

These massive new export pipelines would cement Canada’s status as a supplier of raw energy to the U.S. and other customers, exacerbate the overvaluation of the Canadian currency, and reinforce the short-sighted, foreign-dominated trajectory of our whole energy industry. For those reasons, both the CEP and the CAW spoke against the approval of all these new export pipelines. This position was fiercely attacked by industry lobbyists, who tried to play the “jobs versus the environment” card again. But Unifor’s founding unions knew that the long-run employment security of our members in the energy industry would be better-served by a more careful approach.

More recently, the National Energy Board has also held hearings on another pipeline project: Enbridge’s application to reverse the flow in its Line 9 pipeline between southern Ontario and Montreal. This pipeline was originally built in the 1970s, when the oil industry was still federally regulated, to ship Western Canadian oil to Eastern Canadian consumers. Its flow was reversed a decade ago, in the wake of the diversion (under deregulation) of most Western Canadian output to the U.S. market. It now carries imported oil (offloaded from tanker ships) from Africa, the Middle East, and Europe to serve refineries in Quebec and Ontario. Enbridge’s proposal would also involve increasing the capacity of the pipeline (through upgrades and new pumps) by 60,000 b/d.

This proposal is clearly qualitatively different from the massive export pipelines which Unifor’s founding unions have continued to oppose. It would help to match Canadian energy production with Canadian consumers. It would help secure the operation of two key refineries in Quebec

Sidebar: A Pipeline Primer

Pipelines are an essential and commonplace part of our energy transportation infrastructure. However, a series of enormous new pipelines proposed to ship raw bitumen from Canada to export markets has generated controversy in Canada and internationally, and rightly so. Those export pipelines would facilitate a massive expansion in bitumen production in northern Alberta – at a time when Canada still has no credible plan or targets for reducing greenhouse gas emissions. Export pipelines destroy Canadian jobs in the long-run, due to the failure to upgrade and refine the resource in Canada, and the impact of massive energy exports on the value of the Canadian dollar (hence harming manufacturing and other export sectors).

Unifor opposes these export projects because of their negative impact on both the environment and the economy. We campaign for a national energy and environmental strategy, so that future energy production can be regulated in line with credible, progressive environmental commitments. To meet those targets, the expansion of future bitumen production will have to be strictly limited. We support the creation of a Canada-wide energy grid, so that Canadian energy resources can continue to be used, first and foremost, to meet the needs of Canadian consumers –reducing reliance on imported energy in eastern Canada. We demand the application of strict safety and environmental standards to new and renovated pipelines. Any pipeline construction on First Nations land must first negotiate informed consent and ensure economic benefits to First Nations communities. And we support strategies to maximize Canadian value-added and jobs at all stages of energy production: including equipment manufacturing, production services, upgrading, refining, and secondary manufacturing.

Here is a catalogue of recent export-oriented pipeline proposals:

Enbridge Line 67 (“Alberta Clipper”). Approved, under construction, to be completed in 2014, will expand bitumen export capacity by 120,000 b/d. CEP opposed it.

Keystone XL (TCPL). Approved in Canada, under review in US, would add 830,000 b/d of export capacity. CEP and CAW opposed it.

Northern Gateway (Enbridge). Proposed, would link Northern Alberta with tanker terminals near Prince Rupert, would add 525,000 b/d export capacity. CEP and CAW opposed it.

TransMountain expansion (Kinder Morgan). To be formally proposed to regulators in late 2013. Would add 590,000 b/d to current capacity, mostly for export. CEP opposed it, and also called for special allocation of supply to Chevron’s Burnaby refinery (this was rejected by the NEB).

Energy East (TCPL). To be formally proposed to regulators in 2014. Converts a former West-East natural gas pipeline to carry oil. Would have 1.1 million b/d capacity – mostly for export from a tanker terminal in Saint John, N.B. (but would also supply the Irving refinery in Saint John). Would reduce natural gas supply to Ontario.

Southern Lights (Enbridge). Approved by the National Energy Board, completed in 2010. A 180,000 b/d pipeline that imports diluent (natural gas liquids used to dilute heavy oil for transportation and refining) from Chicago to Edmonton. Involved reversing direction of an existing pipeline and building new portions. The import of diluent from the U.S. facilitates further expansion

of bitumen exports from Northern Alberta. CEP opposed this pipeline. Enbridge now wants to expand it to 275,000 b/d.

Norlite (Enbridge). This is another pipeline to ship diluent from south (Edmonton) to north (Fort McMurray), facilitating additional expansion of bitumen production and export. Capacity would be up to 240,000 b/d. The project is in pre-commercial design.

One additional, smaller pipeline project has recently generated controversy in Ontario and Quebec, as well. The **Enbridge Line 9** project would involve renovating and reversing the flow of an existing pipeline (that currently carries imported oil landed on Canada's East Coast, to refineries in Ontario). The capacity of the pipeline would also be expanded by 60,000 b/d (from 240,000 b/d to 300,000 b/d). The reversed pipeline would supply oil to two Quebec refineries, but could possibly transship oil for export to Maine. The oil shipped by the pipeline will initially come from conventional Alberta sources, or from the U.S. The Line 9 pipeline was initially built in the 1970s to carry Western petroleum to Eastern Canada when the oil industry was federally regulated. The flow was reversed (to run east to west) a decade ago, in the wake of the post-NAFTA diversion of most Western Canadian output to the U.S. market.

The CEP supported the Line 9 project, as being consistent with several aspects of its vision for a regulated, made-in-Canada energy industry:

- It would strengthen the East-West energy grid in Canada, matching Canadian energy supply with Canadian energy consumption.
- It would displace petroleum imports to eastern Canada (which have their own environmental consequences, including extensive pollution associated with trans-ocean tanker shipping).
- It would secure the viability of two refineries in Quebec. Several refineries in Canada have closed in recent years, despite the expansion of our own petroleum production. Securing the ones that are left is an important priority for our efforts to strengthen Canadian value-added in energy projects.

Unifor reaffirmed our continuing support for this project in a recent submission to the National Energy Board. The union was very clear that support for the reversal was contingent on meeting strict environmental and safety standards in the renovated pipeline, and winning approval from affected First Nations. Line 9 is very different from the other pipelines listed above (which are aimed at exporting huge amounts of raw bitumen from Canada). It will link Canadian energy with Canadian consumers, it will have no measurable impact on the level of bitumen production, and it will support Canadian value-added manufacturing.

Unifor will continue to work with our allies in the labour, environmental, and First Nations communities to campaign for a comprehensive, sustainable, and just energy and environmental strategy for Canada.¹

(which together account for a fifth of Canada's total refining capacity, and support 1000 well-paid jobs). It would have no appreciable impact on the potential expansion of bitumen production (an expansion which must, as we continue to argue, be very tightly controlled in line with economic and environmental goals). The CEP supported the Line 9 project when it was first proposed, and Unifor reaffirmed that position in a recent submission to the NEB. Unifor's support for Line 9 is fully and explicitly contingent on adequate environmental safeguards for the line (including upgraded safety features), and negotiated approvals from First Nations communities affected by the construction and operation of the pipeline. The project should not go ahead until those concerns have been satisfied. Unifor also argued that the indirect export of unprocessed Canadian oil through the pipeline (through subsequent pipeline links to Maine) should be prohibited. A link to the union's full submission to the NEB on this project is included below.

Another new pipeline proposal, the biggest yet, has recently been advanced. The Energy East project, proposed by TransCanada Pipelines, would convert an existing natural gas pipeline to carry 1.1 million b/d of petroleum from Alberta to Saint John, New Brunswick. A share of this output would serve as feedstock to an important oil refinery in Saint John. Most, however, would be exported in raw form by tanker from Saint John. A negative aspect to the project is that it would reduce the supply of Canadian natural gas (a relatively cleaner fossil fuel) to major customers in Ontario. Unifor has not taken a public position yet on the Energy East proposal; this will require careful study of the company's eventual proposal, and extensive dialogue within the union, and with other stakeholders. We are concerned, however, about the project's clear intent to substantially boost exports of raw petroleum, and its negative impact on West-East natural gas supply in Canada.

Fracking

More dramatic changes in the energy industry have been unleashed by the rapid expansion of so-called "fracking." This technology allows for the extraction of previously unrecoverable reserves of natural gas and oil from shale and other dense geological formations. Various forms of fracking (through which production is enhanced, for a short period anyway, through the high-pressure injection of water and chemicals into wells) have been used by the petroleum industry for decades. However, unconventional new techniques have been applied to previously unviable pools of oil and gas - such as North Dakota's Bakken shale field, where oil and gas production has exploded in the last 5 years. This has had dramatic effects on energy markets (especially for natural gas), but has also had enormous environmental consequences (including huge GHG emissions from methane and flared gas, poor water quality, destruction of land through super-intensive drilling, local earthquakes, and more).

Profit-hungry producers have now turned their attention to other possible shale petroleum regions - including several in Canada (including Quebec, the Atlantic provinces, the prairies, and northern B.C.). The drive to extract new reserves as fast as possible has already sparked concern and protest in many areas, including a dramatic confrontation with First Nations groups in New

Brunswick. Unifor's National Executive Board recently called for a moratorium on new unconventional fracking exploration and drilling, until such time as the environmental, First Nations, and energy supply concerns associated with this new technology have been satisfactorily resolved.

A Progressive Vision of Resource Development

Unifor represents tens of thousands of resource workers. And we advance the general hope of all working people in Canada for good jobs, security, equity, and a healthy environment. We are a crucial stakeholder in the debate over how to develop Canada's natural resource wealth in a way that benefits Canadians, protects the environment, and respects the rights of First Nations. We pledge to engage constructively with all other parties in an effort to develop and implement sensible resource, energy, and environmental policies – including resource industries, affected communities, First Nations, and the environmental movement. We believe that Canada's resource wealth can be carefully managed and developed, in a manner that advances our goals of employment, security, and a healthy environment. We commit ourselves to campaign vigorously, in solidarity with our allies, for a national energy and environmental strategy, so that our natural resources contribute to inclusive, sustainable prosperity for all working people.



Appendix:

Compendium of Previous Policies and Documents from Unifor's Founding Unions

CEP Energy Policy (2008).

<http://www.cep.ca/docs/en/policy-917-e.pdf>

- *Calls for a national energy strategy that respects the interests of workers and firm commitments to GHG emissions reduction. Describes a Just Transition policy to ensure job security during transition to greener fuels. Energy security for Canada, including relying on Canadian energy for Canadians' use, must be a priority.*

CAW Statement of Principles on the Environment (1989)

<http://www.caw.ca/en/about-the-caw-policies-and-papers-statement-of-principles-environment.htm>

- *Commits union to action on environmental protection. Challenges corporate domination of economic priorities. Links environmental activism to collective bargaining.*

CAW Statement on Transportation and the Environment (2001)

<http://www.caw.ca/en/about-the-caw-policies-and-papers-statement-on-transportation-environment.htm>

- *Highlights environmental consequences of transportation. Calls for stronger regulations on fuel quality, alternative fuel vehicles, and fuel efficiency of vehicles. Calls for investment in public transit – including Canadian-made transit vehicles.*

We Make It Move: A Vision for Sustainable Transportation (2011)

<http://www.caw.ca/en/10639.htm>

- *Approved by first-ever CAW Transportation Conference, commits union to participation in efforts to reduce pollution from all phases and modes of transportation: including the manufacture of transportation equipment, the use of transportation equipment, and major investments in public transportation.*

CEP Submission to National Energy Board on Keystone XL (2009)

[\[insert pdf link here once it's on website\]](#)

Short powerpoint presentation on CEP position:

<http://www.cep.ca/sites/cep.ca/files/docs/en/110922-keystone-xl-presentation.pdf>

- *CEP opposed Keystone XL project in submission to NEB, on grounds we need more Canadian refining and processing, and it would lead to environmentally unsustainable expansion of bitumen production.*

CEP Submission to National Energy Board on Northern Gateway (2012)

<http://www.cep.ca/en/news/media-releases/gateway-pipeline-unsustainable-energy-union-tells-neb-0>

- *Opposed exports of raw bitumen, calls for more Canadian refining/processing and value-added jobs, expresses concern about the environmental risks of tanker shipments from Prince Rupert.*

CEP Submission to House of Commons Natural Resources Committee on Canada's Energy Security and Independence (2012)

http://www.cep.ca/sites/cep.ca/files/docs/en/120207_Brief_Natural_Resources_Committee_Feb2012_EN.pdf

- *Highlights decline in Canadian refining capacity and jobs, and the economic and environmental risks associated with reliance on imported oil for Eastern Canadian refineries. Opposes Keystone and Northern Gateway proposals; expressed support for more use of Canadian petroleum in Canadian refineries.*

CEP Submission to National Energy Board on TransMountain Expansion and Allocated Production for Chevron Refinery (2013)

[\[inset pdf link here once it's on the website\]](#)

- *Calls on NEB to allocate preferential access to crude oil supply through TransMountain pipeline to the Chevron refinery in Burnaby (by making it a Designated Priority Destination, or DPD).*

Joint CEP-CAW Submission to Natural Resources Committee, House of Commons on Energy Exports and Deindustrialization (2013).

CEP Portion:

<http://www.cep.ca/sites/cep.ca/files/docs/en/130424-Fred-NatResCmttee.pdf>

CAW Portion:

<http://www.cep.ca/sites/cep.ca/files/docs/en/130424-Jim-NatResCmttee.pdf>

Transcript of Testimony by Fred Wilson and Jim Stanford:

<http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=E&Mode=1&DocId=6099815#Int-7975232>

- *Joint submission from the two founding unions emphasizes the importance of Canadian content upstream and downstream in energy developments, and opposes the export of raw energy resources. Restates support for binding GHG commitments.*

Unifor Closing Submission to National Energy Board on Enbridge Line 9 (2013)

[\[insert pdf link once it's posted on the website\]](#)

- *States union's support for Line 9 reversal and expansion, contingent on meeting environmental concerns and negotiating project agreements with affected First Nations communities. Ties Line 9 project to major capital investment in Montreal refinery.*

Coalition Reports Supported by CEP and/or CAW:

"More Bang for Our Buck: How Canada Can Create More Energy Jobs and Less Pollution," Green Blue Canada (2012)

<http://www.bluegreencanada.ca/sites/default/files/resources/More%20Bang%20for%20Buck%20Nov%202012%20FINAL%20WEB.pdf>

- *Report from the Blue Green coalition, supported by CEP, indicates that investments in renewable energy (funded through the diversion of tax subsidies away from petroleum extraction) would create 18,000-20,000 new jobs.*

"Towards a Clean Energy Accord," Tides Canada (2012)

<http://tidescanada.org/wp-content/uploads/Towards-a-Clean-Energy-Accord.pdf>

- *The CEP and CAW were among the 700 organizations (including companies, unions, environmental groups, First Nations communities, and others) endorsing the call, organized by Tides Canada, for a national energy and environmental strategy.*

The Bitumen Cliff: Lessons and Challenges of Bitumen Mega-Developments for Canada's Economy in an Age of Climate Change (co-authored by Unifor Economist Jim Stanford, 2013).

<http://www.policyalternatives.ca/publications/reports/bitumen-cliff>

- *Highlights the broad economic consequences of unregulated expansion of the bitumen industry, including currency overvaluation, deindustrialization, and inadequate Canadian job content in new developments.*