



FOR IMMEDIATE RELEASE

CEPA outlines regulatory recommendations to avoid competitiveness crisis

Since 2016 Canada has seen one major pipeline project application while the U.S. has seen 14.

CALGARY, ALBERTA – 3 APRIL 2019

Today, a report commissioned by the Canadian Energy Pipeline Association (CEPA) and prepared by Ernst & Young LLP (EY), *Regulatory Competitiveness in Canada's Pipeline Industry*, was released. The report finds that over the past several years an increase in provincial and federal regulations imposed on the pipeline industry, in addition to other factors, has had a negative effect on the business competitiveness of the sector.

This is most evident through comparisons between Canadian and U.S. regulatory environments for project proposals; only one major transmission pipeline application has been put forward in Canada since 2016, compared to a total of 14 in the U.S. This underlines the overall competitiveness challenges facing Canadian transmission pipeline companies and the advantage investors are experiencing south of the border.

"More than anything, pipeline companies and investors are looking for clarity, certainty and predictability," says Lance Mortlock, EY Strategy Partner and Canadian Oil and Gas Leader. "Balancing the environment, social and economic tradeoffs is critical to enhance global competitiveness, job creation and economic growth."

Based on the report, CEPA makes seven recommendations:

1. **Certainty:** Regulatory reviews should provide certainty, transparency, predictability, and withstand changes in government.
2. **Overlap:** Federal, provincial and territorial governments should develop and commit to a common regulatory strategy to avoid duplication, inefficiencies, and inspire regulatory confidence.
3. **Transparency and clarity:** Regulations must be developed with clear policy guidance and regulatory intent and avoid overlap to ensure effective and efficient pathways to compliance.
4. **Predictability:** Regulatory processes must be predictable and based on science and facts.
5. **Flexibility:** Regulations should be outcome-based as this approach encourages companies to adopt innovative solutions, such as new technologies, to meet or exceed regulatory objectives.
6. **Timelines:** Regulatory processes should include reasonable and enforceable timelines that include consideration for commercial requirements.
7. **Cost:** Governments must consider business competitiveness, efficiency, cost, economic growth and the comparative regulatory burden of other jurisdictions competing for the same investment.

To review the EY report click [here](#) and to review the complete CEPA recommendations click [here](#).

To schedule an interview with CEPA or EY please contact:

Cyril Elbers
Director, Communications
Canadian Energy Pipeline Association
403-400-1222
celbers@cepa.com

Victoria McQueen
Public Relations Specialist
Ernst & Young LLP
416-943-3141
victoria.mcqueen@ca.ey.com

Media Release