

BC SOLUTIONS

News & Commentary from the Canadian Centre for Policy Alternatives' BC Office | SEPTEMBER 2017



New political terrain, new possibilities, and new challenges

BY SETH KLEIN & SHANNON DAUB

Welcome to the first issue of *BC Solutions* published since the May provincial election and the subsequent swearing in of a new NDP minority government. What an interesting and exciting time in BC politics!

Following the election there were the two months of political uncertainty, in the midst of which we saw the BC NDP and BC Green Party sign their historic agreement. Within that agreement, many of us see an opportunity to realize policy changes the CCPA has long advocated—electoral and democratic reform, a comprehensive poverty reduction plan, \$10-a-day child care, the honouring of Indigenous rights, real climate action, forestry reform, bold housing plans, a sizeable boost to the minimum wage, fair tax reform, and more.

One clear takeaway from the May election: there is a solid progressive majority in our province. This election showed that the public appetite for change in BC is very strong. And that's great news.

THE ROLE OF THE CCPA'S BC OFFICE

We are immensely proud of the work the CCPA-BC produced in the months leading up to the election. We played a vital role in bringing key issues to the top of BC's political agenda—and in showing what effective solutions look like. Our team of researchers and our ideas were highly visible and frequently cited in the mainstream media, and our material was widely shared online. →

IN THIS ISSUE ↘

- 02 CCPA-BC's 20th Anniversary Gala with Senator Murray Sinclair
- 03 Brace yourself for more stale arguments on taxes
- 04 Getting big money out of BC politics
- 06 Seniors poverty and inequality in BC
- 08 Home and community care services for BC seniors
- 08 2017 Gideon Rosenbluth Memorial Lecture with Armine Yalnizyan
- 09 Unauthorized dams built for fracking in BC's northeast
- 10 BC's natural gas giveaway
- 10 Case for Trans Mountain pipeline built on faulty assumptions
- 11 The energy industry's insatiable thirst for water threatens First Nations' rights



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

CCPA-BC's 20th Anniversary Gala to feature Senator Murray Sinclair

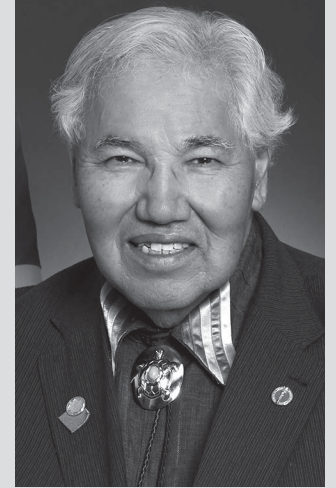
We are incredibly honoured to announce that Senator Murray Sinclair will be the keynote speaker at our 20th Anniversary Fundraising Gala. Senator Sinclair was the Chair of the Indian Residential Schools Truth and Reconciliation Commission (TRC), was the first Indigenous judge appointed in Manitoba, and is a current member of the Canadian Senate. His talk, **“The Truth is Hard. Reconciliation is Harder.”** comes at an opportune time, with a new provincial government that has committed to implementing the TRC recommendations and the United Nations Declaration on the Rights of Indigenous Peoples.

Thursday October 19, 2017 at 5:30 pm

Fraserview Hall, 8240 Fraser Street, Vancouver

Tickets: \$100 including Indian buffet dinner, available online at: policyalternatives.ca/bcgala2017 or 604-801-5121 x221 / ccpabc@policyalternatives.ca.

Table reservations available when 8 tickets are purchased in a single block by phone or email.



PRESENTING
SPONSOR



Continued from cover

Notably, after saying for years that progressive parties need to be bolder, it is our view that both the NDP and Green platforms were markedly more ambitious than in previous election campaigns. And we were pleased to see many CCPA policy recommendations in both parties' platforms.

As hopeful as the NDP-Green agreement is, this is not the time for progressives to go quiet, to be uncritical or to “leave it to the politicians.”

As we write, we are hopeful about the progressive changes to come. And we at the CCPA are keen to share the policy solutions we've been developing for years, but which the previous government largely ignored. As you will see in the articles that follow, we have lots of ideas about how to get big money out of politics, properly regulate the energy and natural gas sector, tackle poverty, improve community health care for seniors, and make our tax system more fair.

ACHIEVING POSITIVE SOCIAL CHANGE

If history teaches us anything, however, it's that the struggle for social change doesn't end on election night. That is only the beginning.

When it comes to achieving positive social change, none of us does this alone; we need social movements, community leaders and concerned citizens to continue the work of organizing and voicing the need for such change.

As hopeful as the NDP-Green agreement is, this is not the time for progressives to go quiet, to be uncritical or to “leave it to the politicians.”

We're also preparing for a backlash that is sure to come—claims from right-wing groups and pundits that these progressive changes are somehow dangerous to the economy. Indeed, we've already

been hearing some of these arguments from the Fraser Institute and others, and we've already begun to debunk them (as you can see in the commentary posted to PolicyNote.ca). More of these arguments are coming, and we need to be ready to push back.

The fight over electoral reform is sure to become a flashpoint. The corporate sector will undoubtedly pour massive money into a NO campaign in the 2018 referendum. They won't want to see proportional representation, as it would likely allow for a government that reflects BC's progressive majority for many years. We've already begun to weigh in on that issue, and you'll hear more from us in the months ahead.

So how do we prevent the corporate interests in our province from convincing the public that progressive ideas and policies cannot be realized?

First, it will fall to all of us to insist these changes happen—to keep demonstrating that they are desperately needed and entirely reasonable. And we will keep pushing when more ambition is called for.

Second, we need to fundamentally change the way we do politics in BC. That means truly constraining the unfair influence of corporations and the wealthy (as Shannon and Alex discuss on page 4).

In the months and years to come, you can count on the CCPA to keep creating space for progressive policies, and to continue to push back against the corporate interests that are so well served by the status quo. Over the years we've developed specific ideas for almost every policy referenced in the new BC NDP-Green agreement.

Of course we can't be effective without you—we encourage you to continue to share our analysis whenever and wherever you can, and to amplify progressive voices.

Thank you, sincerely, for your ongoing support of our work.

Seth Klein is the BC Director of the CCPA. Shannon Daub is Associate Director of the CCPA-BC.

Brace yourself for more stale arguments on taxes

BY ALEX HEMINGWAY

What will happen if the new BC government raises taxes on rich individuals and corporations as the NDP promised in its election platform? If years of finger-wagging from pundits and the business lobby can be believed, you might assume the sky will come crashing down—right onto the BC economy.

It's an argument that has been hammered into our collective political consciousness over the past few decades. Even before a new government was sworn in, the Fraser Institute had started ringing alarm bells about threats to "tax competitiveness" in the province and spreading objectively false claims that the NDP-Green deal proposes an increase in taxes on average families.

It seems that almost anything was fair game in BC's neoliberal era. Pile on user fees and MSP health premiums on the middle class? No problem. Shift sales taxes onto consumers via the HST? Sure—if you can get away with it. Stop building affordable housing and watch housing costs spin out of control? Go for it.

But want to make the rich pay more taxes? That's a different story.

In a province that has seen spectacular wealth generation in recent years—highly concentrated into the hands of a few—redistribution has, until now, been off the political agenda.

Take a look at how BC's personal tax system has changed over the past 16 years.

The richest 1 per cent of households pocketed an average of \$39,000 annually thanks to tax cuts brought in since 2000. Much of this goes into buying stocks and driving up real estate prices. What does get spent is not likely to be in the local economy, instead going to imported luxury goods and holidays. In contrast, households in the bottom 50 per cent "gained" only \$53 per year on average.



the five lowest-cost jurisdictions in which to do business among 111 global cities.

The lack of affordable housing—a flipside of low taxes—is a far bigger impediment to businesses and individuals located in Vancouver.

In short, BC's business sector is not overtaxed. We can increase the general corporate tax rate and stay comfortably in the middle of the pack among our provincial and international economic counterparts.

Ditto on the personal tax side. BC has the lowest marginal tax rate on high incomes in the country—witness that huge tax cut flowing into the pockets of the richest 1 per cent each year. Restoring the 16.8 per cent top bracket, as proposed in the NDP platform, would be a modest measure in the right direction, moving BC towards the low-middle end of the pack among Canadian provinces in terms of taxing top incomes.

In fact, the previous BC Liberal government temporarily set the top rate at the exact same level in 2014 and 2015, without any fuss or evidence of negative economic effects.

If BC is going to tackle the major challenges we face—unaffordable housing and child care, persistent poverty and inequality, overstretched public services, climate change and many more—we can and must require that the wealthiest few pay more in taxes.

In the months ahead, expect to be served up more breathless claims that such policies are the road to ruin, particularly from vested interests themselves. But these arguments have gone stale.

There's something better on the menu.

Alex Hemingway is the Public Finance Policy Analyst at the CCPA-BC.

In a province that has seen spectacular wealth generation in recent years—highly concentrated into the hands of a few—redistribution has, until now, been off the political agenda.

We've also seen large tax cuts for business over the same period, with the provincial corporate tax rate dropping from 16.5 per cent to 11 per cent.

So, would increasing the corporate tax rate by 1 per cent, as proposed by the NDP platform, leave BC businesses sagging under an unfair burden? Far from it. BC has the lowest rate in Canada—a country that has also seen major federal corporate tax cuts over the past 20 years. For small businesses, the rate is much lower still.

According to rankings by the global accounting firm KPMG, Canada is the second-lowest-cost country in which to do business among 10 major industrialized economies. And Vancouver is one of



Getting big money out of BC politics: 5 ways to do this right

BY ALEX HEMINGWAY & SHANNON DAUB

It's time to change the way we do politics in BC—and the first order of business should be to ban big money. There's been a lot of public discussion about just how undemocratic our current electoral finance rules are, but there's been much less conversation about exactly how to fix them. Here are five ways we can do this right.

1. MAKE SURE THE BAN IS COMPREHENSIVE

That means banning contributions of property and services and prohibiting loans. It also means banning all institutional contributions to party leadership races and constituency races, and not allowing corporations and unions to purchase tickets to partisan events.

What about existing war chests? While there is likely no legal way to bring in a retroactive ban, there are other ways we can limit the distorting influence of the millions of dollars in (mainly) corporate donations that have already been socked away. Which brings us to...

2. REDUCE THE AMOUNT OF MONEY PARTIES CAN SPEND DURING AND BETWEEN ELECTIONS

The expense limit for political parties in the 2017 BC election was a whopping \$4.9 million. Allowing that much money to get funnelled into our elections means parties with big bucks can finance slick advertising and armies of campaigners. A lower limit would favour parties that campaign on dynamic ideas and build momentum through authentic grassroots engagement.

There is currently no limit on party spending between elections.

Too strict a limit would favour the incumbent government, which has a tremendous advantage in being able to communicate with British Columbians. But without a reasonable ceiling, parties can heavy-load expenses in the lead up to the formal campaign period.

3. IN A DEEPLY UNEQUAL SOCIETY, WE ALSO NEED STRICT LIMITS ON INDIVIDUAL DONATIONS TO POLITICAL PARTIES

Limits on personal donations exist in most jurisdictions across Canada—but they're typically still quite high. High donation limits are unfair to the majority of the population, and in practice they encourage parties to focus on courting the affluent.

Limiting political donations to a much lower level would allow a much broader swath of British Columbians to donate. We suggest going with Quebec's limit of \$100. We should also limit donations to permanent residents of BC (currently, anyone anywhere can donate as much as they want).

4. CREATE A FAIR AND TRANSPARENT SYSTEM FOR FINANCING PARTIES

Before she changed her mind about the need to ban big money, Christy Clark argued a ban would force taxpayers to subsidize political

Banning big money should be the beginning of a conversation among British Columbians about restoring the integrity of our democracy, not the end of one. To borrow a phrase: the only thing more powerful than organized money is organized people.

parties. But she forgot to mention that we already have public funding for parties in BC—just not a very fair kind. Currently, political donors get major tax breaks, which cost about \$16 million per election cycle.

Here are three viable alternatives for funding BC's political process.

Per-vote subsidy: Canadian political parties used this federally between 2004 and 2015 and received \$2.04 annually for each vote won in the previous election. The per-vote subsidy is problematic, however, because it favours the incumbent party by locking in funding from one election to the next even though a voter's preference may change over a government's four-year term.

Matching small donations: Small donations up to a certain amount (for example \$25) are matched with public funding. Under New York City's innovative system donations are publicly matched 6-to-1. This successfully increased both the number of small donors and proportion of small donations, and made the demographic profile of donors more representative of the population. Tailoring this model for BC would build incentives for bottom-up political engagement into our campaign finance system.

Universal voucher: A universal voucher of \$10 or \$20 per year in the elections section of income tax returns could be directed to the

political party of a voter's choice (or withheld if a voter is dissatisfied with the available options).

A combination of options like these is also possible.

5. DON'T STOP THERE

Finally, it's important to remember there are myriad other ways elections can be made more fair and vibrant. For example, most of the above recommendations could be extended to municipal elections as well. We also need to look beyond elections to issues like lobbying, and the root causes of deepening inequality.

Banning big money should be the beginning of a conversation among British Columbians about restoring the integrity of our democracy, not the end of one. To borrow a phrase: the only thing more powerful than organized money is organized people.

Alex Hemingway is the Public Finance Policy Analyst at the CCPA-BC. Shannon Daub is the Associate Director of CCPA-BC and co-director of the Corporate Mapping Project.



This analysis is part of the Corporate Mapping Project, a research and public engagement project investigating the power of the fossil fuel industry in Western Canada, led by the University of Victoria, the Canadian Centre for Policy Alternatives (BC and Saskatchewan Offices) and Parkland Institute. This research is supported by the Social Science and Humanities Research Council of Canada (SSHRC).

More analysis from the CCPA-BC on PolicyNote.ca

Debunking the Fraser Institute's latest scaremongering on Indigenous rights, by Seth Klein

Four lessons about electoral reform for a new BC government, by Alex Hemingway

The incredible shrinking role of government in BC, by Alex Hemingway

Distinguishing consent from veto in an era of reconciliation, by Jason Tockman

Time to raise welfare rates: Debunking the BC government's sorry excuses for inaction, by Seth Klein & Pamela Reaño

It's time to give high tech workers equal basic rights, by David Fairey

Affordable housing and jobs: Now is the time to build, by Marc Lee

From disenfranchised to revitalized: Ten proposals to set our forests and BC's rural communities on a new course, by Ben Parfitt

Fixing the carbon tax: A closer look at the BC NDP's climate plan, by Marc Lee

Tax fairness in BC? Hardly, by Alex Hemingway & Iglia Ivanova

A reality check on seniors poverty and inequality in BC

BY IGLIKA IVANOVA

As recently as 40 years ago, old age meant living in poverty for more than a third of Canadian seniors.

Thankfully, public programs like the Canada Pension Plan, Old Age Security and the Guaranteed Income Supplement changed this, cutting BC seniors' poverty rate to a low of 2.2 per cent in the mid-1990s, among the lowest in the western world. Instead of building on this social policy success, however, we have let it lapse, and seniors' poverty rates are on the rise again—now 13 per cent.

Nearly 100,000 BC seniors were living below the poverty line in 2014 (the latest data available), and many more have incomes only marginally above the poverty line. The challenges faced by these seniors are largely invisible in our society. We tend to think of seniors as a homogenous group of well-off retirees, but such generalizations ignore a bigger picture of deep income and wealth inequality across generations.

While most seniors (particularly those living with their spouse) are doing okay, a disturbingly large number of single seniors—44 per cent—have incomes between \$15,000 and \$25,000. Many of them are not technically considered in poverty but they struggle to cover basic living expenses and pay for the additional costs that come with declining health, reduced mobility and loss of spousal and community support in older age.

Single women face a particularly high risk of economic insecurity in old age and a staggering one-third of single senior women live below the poverty line. This is largely the result of gender

inequality in the job market, which translates into unequal pension income in old age.

The typical senior woman in BC receives 21 per cent less income from the Canada Pension Plan than the typical man. Senior women are also less likely to have access to private retirement income, including employer-sponsored pensions and RRSPs, and those who do receive 45 per cent less on average than men.

Seniors have higher average wealth and are more likely to own a home than working-age families, largely because they have had more time to earn income and save. However, a closer look at how wealth is distributed reveals that a significant number of Canadian seniors have very little. In 2012, the median wealth of the poorest 20 per cent of senior families in Canada was \$15,000 compared to over \$1.6 million for the richest 20 per cent.

While many seniors own their homes mortgage-free, others face unaffordable rents. One in five senior households in BC rents and therefore faces the same challenges that working-age renters



PHOTO: CAELIE FRAMPTON

PHOTO: CAELIE FRAMPTON



do, including low vacancy rates and an increasingly unaffordable rental market. In fact, senior households who rent are much more likely than non-senior renters to be in “core housing need,” meaning they spend more than 30 per cent of their income on housing, live in units that require major repairs, or live in cramped conditions.

The typical senior woman in BC receives 21 per cent less income from the Canada Pension Plan than the typical man. Senior women are also less likely to have access to private retirement income.

The hardships faced by lower-income seniors are worsened by gaps in access to health services. Our public health care system does not adequately cover home support, residential care, prescription medications, community mental health, vision or dental care. Instead of fully paying for these essential services together as a society, the way we pay for doctors’ visits and hospitals, we have largely shifted the burden of costs to the sick and elderly, and their families.

Seniors are paying more out-of-pocket for prescription drugs after BC replaced its age-based drug plan with the so-called Fair PharmaCare program, which includes considerable deductibles and co-payments even for low-income families. As another recent

CCPA report found (see next page), access to subsidized home support and residential care services has declined, and the number of private-pay assisted living and seniors’ residences has grown rapidly. Higher-income seniors can afford to purchase the services they need privately but many others cannot.

In the face of inadequately funded home and community health services, the burden of caring for frail elderly parents falls on family members, predominantly women, who are working to support their families and often caring for children too.

We can’t afford to stay complacent about the economic security of seniors at a time when people are living longer and the population in our province is aging.

Addressing the gaps in public supports for seniors need not detract from or mask the serious and growing economic insecurity experienced by younger generations. BC must develop more effective ways to support vulnerable members of our community no matter their age. Without broader efforts towards poverty reduction, reforms that curb income and wealth inequality, and measures to close the gender gap in our economy, today’s struggling working-age adults will become tomorrow’s struggling seniors.

Iglika Ivanova is a Senior Economist with the Canadian Centre for Policy Alternatives and author of Poverty and Inequality Among British Columbia’s Seniors.

Home and community care services for BC seniors require urgent attention

BY ANDREW LONGHURST

Sixteen years of privatization and underfunding have significantly reduced BC seniors' access to home and community care—and have added to hospital crowding and increased surgical wait times.

That's the central conclusion from our report, *Privatization and Declining Access to BC Seniors' Care: An Urgent Call for Policy Change*, which also looks at how seniors are affected, and what can be done to ensure they have the services needed to maintain their health and live in dignity.

You may have heard that shortly before the election, the BC Liberal government announced \$500 million in new funding for the

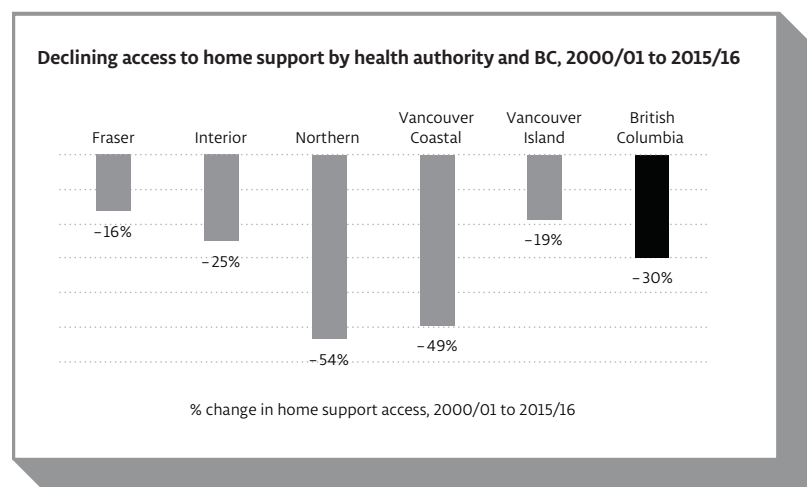
home and community care system. This is important for improving staffing levels—but it doesn't reverse many years of neglect. Our study finds that access to publicly funded home support (such as assistance with meals and bathing) dropped by 30 per cent between 2001 and 2016, while access to residential care and assisted living spaces declined by 20 per cent.

Not only that, residential care spaces operated by public health authorities and non-profit organizations declined, while beds in the for-profit sector increased rapidly. Yet research shows that residential care provided by for-profit facilities is generally inferior to care delivered in public or non-profit facilities.

Improving BC's home and community care system will require a change in policy direction. In order to increase availability of these vital services, the provincial government must stop the privatization of seniors' care, improve access to publicly funded services delivered by health authorities and non-profit organizations, and develop a framework and action plan with legislated province-wide standards.

Taking these measures will require bold and progressive leadership, but it can be done.

Andrew Longhurst is a research associate with the CCPA-BC.



SOURCE: AUTHOR'S CALCULATION FROM BC MINISTRY OF HEALTH DATA.

2017 Gideon Rosenbluth Memorial Lecture with Armine Yalnizyan

The CCPA-BC is proud to present, in partnership with UBC's Vancouver School of Economics, the 2017 Annual Gideon Rosenbluth Memorial Lecture. Armine Yalnizyan, a research associate with the CCPA's National Office and frequent business commentator on CBC, will discuss inclusive growth and the future of work.

Thursday, November 2, 2017

7:00 PM – 9:00 PM

UBC Robson Square (Theatre C300), 800 Robson St, Vancouver, BC

Info & registration: policyalternatives.ca/armine2017

Admission is free but space is limited. Please register online to reserve your spot.



Fracking companies in BC's northeast built dozens of unauthorized dams

BY BEN PARFITT

A subsidiary of Malaysian state-owned Petronas, which had proposed a massive Liquefied Natural Gas plant near Prince Rupert, has built at least 16 large unauthorized dams in northeast BC to trap water used for fracking operations.

The dams are part of a wider network of unauthorized structures built by fossil fuel companies that may number in the “dozens,” according to information a senior provincial dam safety official provided to the CCPA. The province’s former comptroller of water rights told the CCPA the number of large unpermitted dams is likely more than 100.

A subsequent investigation by the CCPA found that two of the dams built by the Petronas subsidiary, Progress Energy, are higher than five-story buildings, which means they qualify as “reviewable” projects by the provincial Environmental Assessment Office (EAO) and should have been assessed by that office prior to any construction taking place.

The risk of dam failures may be increased considerably because the dams are purposely located near where companies drill and frack for natural gas.

But the EAO was never contacted before the dams were built, and is only now investigating, five years after construction began. In 13 additional cases, Progress/Petronas has applied retroactively for water licenses and dam approvals for structures already built, which must now be vetted by BC’s Oil and Gas Commission (OGC). In yet another case, a dam built by Progress was ordered dewatered last year after the OGC concluded the structure, upstream from a gas processing facility, could fail.

The sheer number of these unauthorized structures is troubling. Further, the risk of dam failures may be increased considerably because the dams are purposely located near where companies drill and frack for natural gas. In 2015, Progress Energy triggered a 4.6 magnitude earthquake felt 180 kilometres away when it pressure-pumped 160,000 cubic metres of water below ground in a fracking operation.

The CCPA has learned that dam safety officials with the provincial Ministry of Forests, Lands and Natural Resource Operations, along with investigators from the EAO’s office and the OGC, knew of problems for months, but did not appear to have issued any public news releases or advisories on the extent of the situation. The CCPA began investigating the problem in March after receiving a tip.

There appears to have been a major breakdown under the previous government in protecting public health and safety and the environment.

The CCPA is calling on the province to address a number of questions including:

- How widespread is the construction of unauthorized dams by energy companies?
- Which companies are engaged in building unauthorized dams?
- Where are these dams and how large are they?
- Which dams are now under retroactive review by BC’s Environmental Assessment Office and/or Oil and Gas Commission?
- How many of these dams have been ordered decommissioned due to safety concerns?
- Why have these reviews and investigations not been made more public?
- Have any fines or penalties been levied to date? And if not, why not?
- Which government ministries and agencies became aware of these structures, and when?
- How is it possible that so many unauthorized dams could be constructed without the seeming awareness or earlier intervention by the relevant authorities?

With at least dozens of unpermitted dams already built in the province’s northeast fracking fields, the time has come for answers to such questions and a whole host more.

Ben Parfitt is an investigative journalist, the resource policy analyst with the CCPA–BC, and author of “A Dam Big Problem: Regulatory breakdown as fracking companies in BC’s northeast build dozens of unauthorized dams.”



This analysis is part of the Corporate Mapping Project, a research and public engagement project investigating the power of the fossil fuel industry in Western Canada, led by the University of Victoria, the Canadian Centre for Policy Alternatives (BC and Saskatchewan Offices) and Parkland Institute. This research is supported by the Social Science and Humanities Research Council of Canada (SSHRC).

BC's natural gas giveaway: What's wrong with this picture?

BY MARC LEE

Not long ago, BC received huge annual royalty revenues from its growing natural gas sector. The BC Liberal government claimed that new production to supply an LNG export industry would raise a further \$100 billion, called a Prosperity Fund, and would pay for increased services, tax cuts and/or reductions in the public debt. Those days are gone.

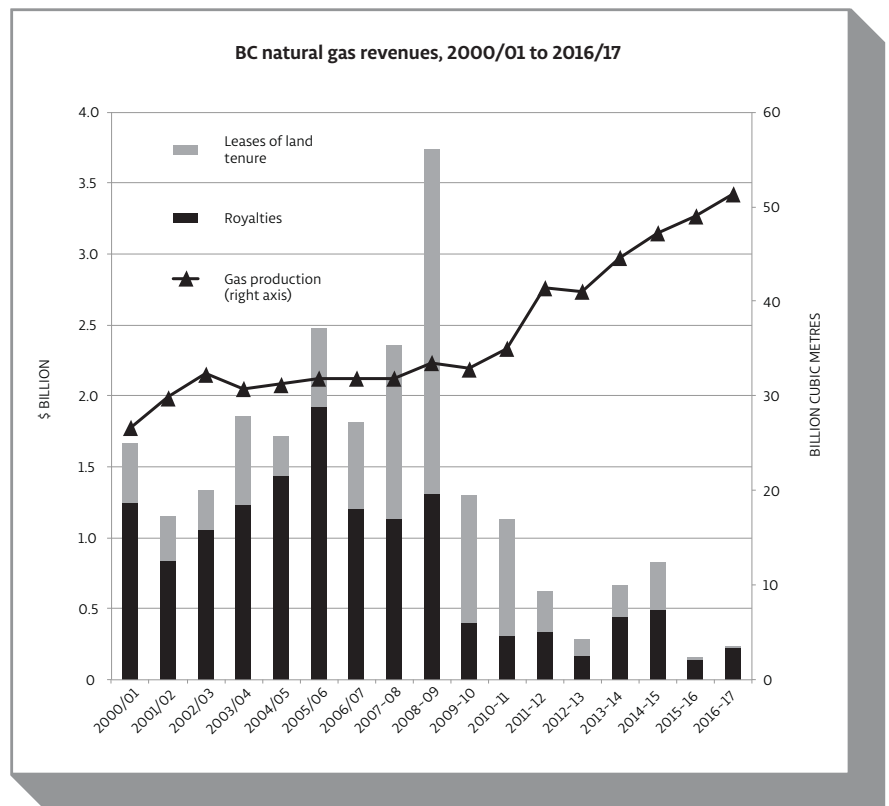
And even worse, BC has more recently been giving away gas worth billions without a fair return to the public treasury.

Royalties reflect a return to the public purse when private development takes place. In theory, the royalty regime is supposed to capture a fair share of the “economic rent” (or excess profits) from exploitation of resources that are owned by the public. This is particularly important for non-renewable resources like gas because once exploited, that's it.

BC gas production has increased substantially in recent years—up about 60 per cent in 2016 compared to a decade earlier. Public revenues, on the other hand, have fallen significantly. In the mid-2000s, when gas prices were much higher, BC saw peak royalty revenues of more than \$1 billion per year. In recent years, however, royalty revenues fell to a fraction of these amounts. 2015/2016 shows a record low of \$139 million.

This “giveaway” has encouraged rapid depletion of gas supplies, subsidized by low returns to the public sector. Looking forward, a rethink of this regime is in order—future generations depend on it.

Marc Lee is a Senior Economist at the CCPA's BC Office.



SOURCE: BC ROYALTY DATA FROM BC BUDGET, VARIOUS YEARS; CROWN LEASE DATA FROM BC MINISTRY OF NATURAL GAS DEVELOPMENT; BC GAS PRODUCTION DATA FROM MINISTRY OF NATURAL GAS DEVELOPMENT, SUPPLY AND DISTRIBUTION OF NATURAL GAS IN BC, VARIOUS YEARS.

Case for Trans Mountain pipeline built on faulty assumptions

The case for Kinder Morgan's Trans Mountain Expansion Project doesn't stand up to scrutiny. One of the primary rationales for the project is that it would maximize the price for Alberta bitumen by getting it from Alberta to “tidewater” for shipment to overseas markets via tankers. But a recent report by veteran earth scientist David Hughes finds that Alberta oil sold on international markets would likely command a *lower* price than if sold in North America. In other words, the “tidewater premium” is a fiction.

The report explains how this and several other arguments for the project—from overly optimistic projections of future oil supply to neglecting to consider the impact of other export pipeline projects—are questionable at best.

Learn more at: policyalternatives.ca/tidewater-access



The energy industry's insatiable thirst for water threatens First Nations' rights

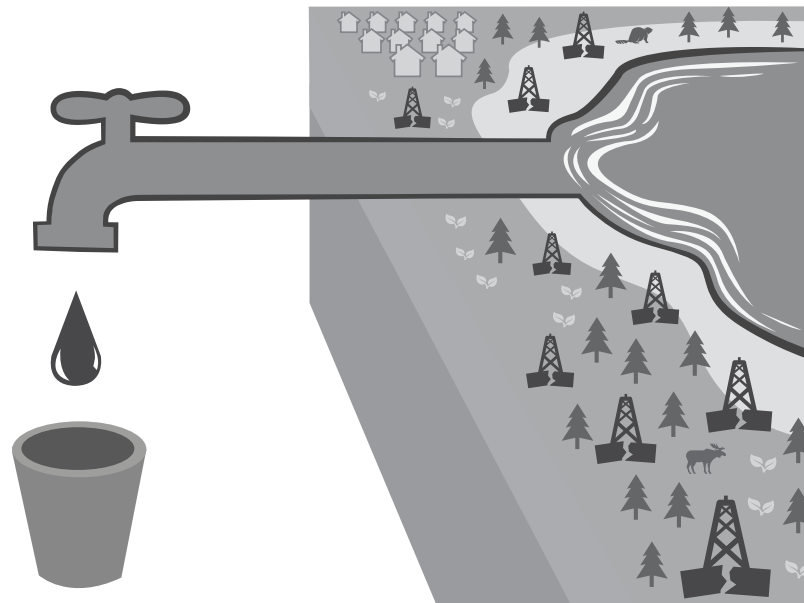
BY BEN PARFITT

Today in northeast BC, more water is used in fracking operations than for such purposes anywhere else on earth. And that has dangerous consequences, particularly for First Nations in the region whose rights and well-being depend on the streams, rivers and lakes that sustain the web of life on which their communities have relied for thousands of years.

Fracking—or “hydraulic fracturing”—is a brute force process in which water is pressure-pumped underground to extract natural gas from deep below the earth's surface. A huge amount of water is required: for example, a typical frack job in BC's Horn River Basin now requires moving at least 2,300 truckloads of water into place. And once water is used for fracking, it becomes laden with heavy metals, carcinogens and other harmful chemicals, and must be pumped deep underground for disposal. In other words, when fresh water is used for fracking, it is lost to the hydrological cycle forever and risks contaminating nearby lakes, reservoirs, wells, streams and more.

These are among the concerns of First Nations communities in northeast BC, who bear the greatest health and environmental costs of such operations. There is also a great deal of concern about the lack of comprehensive planning that takes into account the “cumulative impacts” of all industrial operations in given watersheds or subregions.

BC First Nations are routinely bombarded with natural gas company development proposals including plans to pump water, dig water pits, punch roads into remote forests and clear lands for subsequent drilling and fracking. They are given little time to respond to individual proposals and virtually no voice in influencing the rate, timing or location of gas industry developments more broadly.



Nations must have an effective voice in shaping fossil fuel industry developments while there are still territories to protect.

Co-management of lands in northeast BC, which could curb the worst excesses of natural gas industry activities, may be a good place to start. Combined with other reforms, it could help to ensure that First Nations are able to carry out their treaty-protected rights.

Other complementary reforms include requiring natural gas companies to signal well in advance where they want to drill and frack for gas; establishing firm “no-go” zones and special management zones where higher levels of performance are a prerequisite for any development; and seeing natural gas companies pay far higher rates for industrial water usage, with the additional funds collected channelled into badly needed baseline water studies.

In the face of an energy industry onslaught that has damaging consequences for First Nations, BC is long overdue for meaningful reforms.

Ben Parfitt is an investigative journalist, the resource policy analyst with the CCPA-BC, and author of Fracking, First Nations and Water: Respecting Indigenous Rights and Better Protecting our Shared Resources.

/// The *United Nations Declaration on the Rights of Indigenous Peoples* characterizes such degradation as an assault on both people and land.

The result is a death by a thousand cuts: a progressive degradation of lands and waters.

The *United Nations Declaration on the Rights of Indigenous Peoples* characterizes such degradation as an assault on both people and land. That is why it explicitly acknowledges the “urgent need to respect and promote the inherent right of Indigenous peoples... especially their rights to their lands, territories and resources.”

Provincial NDP and Green Party members have publicly committed to implement the UN Declaration. The need to immediately set a new course in northeast BC is obvious, and doing so could constitute an important step towards implementing the Declaration. First

Reaching out in challenging times

BY LEO YU

Based on the CCPA's extensive research on growing inequality and the affordability crisis, it's no surprise that many Canadian charities have seen significant declines in donations in recent years. Thankfully, our direct donations from individuals in BC remain on track; we're optimistic that we will end the year on secure financial ground. And we are reaching more people than ever before in the BC Office's 20-year history.

There are hundreds of people donating for the first time and joining our growing community of around 6,000 supporters in BC who give generously, often stretching their charitable budgets to do so.

We are vastly increasing our reach online and via mainstream media, and our researchers have been giving talks in communities across BC.

Thank you to all our valued BC Solutions Fund donors who give so generously. We're honoured to acknowledge your support in the enclosed recognition insert. And we're especially grateful to the 60 members of our BC Solutions Donor Circle who contribute \$84 monthly, \$1,000 annually, or more—we invite you to join them!

As always, we also welcome your feedback. And we'll keep doing our very best!

“Of all the fine work that CCPA does, the most valuable are the logical, workable solutions to the problems you cite. Criticism has little value unless solutions are offered. Thank you for the excellent work you do.”
—Arlene Feke, CCPA supporter since 2004

Laying the groundwork for future generations

Please join the Visionaries—a group of supporters who have chosen to make a planned gift to the CCPA.

By including the CCPA as a beneficiary in your will, you help to ensure we can continue to develop solutions that benefit your loved ones, neighbours, and the environment for years to come. A legacy gift is especially impactful—it is often the largest gift that anyone can give.

You can download a printer-friendly brochure at: policyalternatives.ca/BC-Legacy.

We would be grateful to know if you have planned a legacy gift to the CCPA, and how it has been designated (we encourage you to designate a part of your bequest for both the BC and National CCPA offices, as undesignated gifts go entirely to our National Office). Please contact Leo Yu at 604-801-5121 ext. 225 or leo@ccpabc.ca.

As a Visionary, you will receive special updates and invitations to social events to thank you for making social, economic and environmental justice a part of your legacy.





Fight for social justice from beyond the grave!

BC SOLUTIONS

News and commentary from the Canadian
Centre for Policy Alternatives' BC Office

520 – 700 West Pender St.
Vancouver BC V6C1G8
tel: 604-801-5121

policyalternatives.ca
blog: policynote.ca

 [policyalternatives](https://www.facebook.com/policyalternatives)
 [@ccpa_bc](https://twitter.com/ccpa_bc)

Editorial team

Lindsey Bertrand, Shannon Daub,
Seth Klein & Terra Poirier

Design: Paula Grasdal & Terra Poirier
Layout & production: Terra Poirier

Cover image: Mural at First United Church. Photo
by Goh Iromoto.

ABOUT US

The Canadian Centre for Policy Alternatives is an independent, non-partisan research institute concerned with issues of social, environmental and economic justice. We depend on thousands of supporters for our core funding.

CCPA-BC COMMITTEES & STAFF

Board of Directors

Liz Blackwood, Bill Carroll, Mary Childs,
Emet Davis, Aaron Ekman, Lily Grewal,
Diana Guenther, Chris Kinkaid, Larry Kuehn,
Gavin McGarrigle, Geoff Mann, Ian Mass,
Lobat Sandrehashemi, Miriam Sobrino

Research Advisory Committee

Lynell Anderson, Liz Blackwood, John Calvert,
Jonathan Chapnick, Marcy Cohen, Maya Gislason,
David Green, Andrew Longhurst, Geoff Mann,
Gerardo Otero, Blair Redlin, Suzanne Smythe,
Kendra Strauss, Hannah Whittman

Staff Team

Lindsey Bertrand, Communication Specialist
Shannon Daub, Associate Director
Alex Hemingway, Public Finance Policy Analyst
Iglika Ivanova, Senior Economist &
Public Interest Researcher
Mariwan Jaaf, Director of Operations & Finance
Jean Kavanagh, Manager, Media & Publications
Seth Klein, BC Office Director
Sylvan Korvus, IT Administrator
Marc Lee, Senior Economist
Dianne Novlan, Supporter Services
& Administration
Ben Parfitt, Resource Policy Analyst
Terra Poirier, Visual Communication Specialist
Thi Vu, Project Manager
Leo Yu, Development & Engagement Specialist

Any errors and opinions presented in this paper are those of the authors, and do not necessarily reflect the views of the Canadian Centre for Policy Alternatives.

