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April 18, 2016

Chantal Briand, Regulatory Approaches
National Energy Board
517 Tenth Avenue S.W.
Calgary, AB T2R 0A8
Email: damagepreventionregs@neb-one.gc.ca

Dear Ms. Briand:

Thank you for the opportunity to submit comments regarding the National Energy Board Proposed Regulations for Pipeline Damage Prevention.

FCM is the national voice for Canada's local governments. Our members include nearly 2,000 municipalities—urban, rural, northern and remote—representing 90 per cent of Canada's population.

Our members are directly impacted by federally regulated pipelines in multiple ways. As such, FCM recognizes the importance of a regulatory regime that balances the environmental and public safety risks presented by pipelines with the reality that pipelines cross through existing urban areas and that construction and maintenance work must occur within the rights of way of federally regulated pipelines.

FCM commends the federal government for taking steps to attempt to improve pipeline safety legislation. However, we feel that the proposed regulations do not adequately address a number of municipal concerns.

New regulations must ensure that municipalities can conduct routine maintenance activities on municipal highways without undue burden from pipeline operators, while still ensuring appropriate consultation where necessary for safety and environmental considerations. Further, new regulations must not place additional liability on municipalities for activities undertaken by third party contractors.

Specific concerns from municipalities with experience conducting highway maintenance and construction projects in proximity to federally regulated pipelines are being submitted to the NEB as part of this consultation by individual municipalities.

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FCM's National Board of Directors has passed three broad principles with respect to the federal review and assessment of pipeline projects, which are attached for your reference.

I look forward to working with the NEB to ensure that the regulatory regime governing federally regulated pipelines is improved in a way that protects the environment and public safety, as well as enabling local governments to build and maintain the municipal infrastructure that communities depend on.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Louie', with a large, stylized flourish at the end.

Raymond Louie
Acting Mayor, City of Vancouver
FCM President

Enclosure

APPENDIX

PRINCIPLES TO PROTECT MUNICIPAL INTERESTS IN FEDERAL ASSESSMENT PROCESSES

Municipalities regularly participate in federal, provincial or territorial assessment and review processes for larger projects, where the outcomes have local impact on areas of municipal responsibility. Major new projects subject to these review processes, especially resource development projects, are essential to the economic prosperity and quality of life of local communities, particularly for rural, remote and northern communities.

The following three principles, adopted by the FCM Board of Directors, speak to those areas where local governments have a legitimate interest to ensure their rights and responsibilities are protected:

- 1. Protect and strengthen local economies, quality of life and the health and integrity of the local environment as top priorities in federal assessment and review processes:**
 - A project's contribution towards local economies must be a priority in federal review and assessment processes, and must also be balanced with the environmental and social priorities of local communities.
 - Municipal interests must be respected and reflected in federal assessment and review process.
 - Federal review and assessment processes must be efficient and ensure effective "smart government" coordination between government and departments.

- 2. Equip and support municipal first responders to respond to emergencies related to proposed projects:**
 - Municipalities need to know what dangerous goods are being transported through, stored or used in their communities so local services can plan and respond effectively to emergencies.
 - Private sector project operators and federal, provincial and territorial oversight agencies cannot plan for emergencies alone. Local governments and authorities must be involved as partners in emergency planning.

- 3. Prevent downloading of project-related safety, emergency response and other costs to municipal taxpayers:**
 - Third-party liability insurance systems must be sufficient to prevent the downloading of liability costs on municipal taxpayers, even in the event of the bankruptcy of the original insurance holder.
 - Municipal first responders must be equipped and supported to effectively respond to an emergency arising from a new federally-regulated project.
 - Up-front costs associated with participation in a federal review process and back end costs resulting from any unrecoverable burden placed on municipal services and infrastructure by a federally-regulated project must not be unfairly imposed on local governments.