

Analysis of CAPP's "COVID-19 Crisis Response" Memo to the Federal Government

BACKGROUND
April 2020



environmental
defence

Introduction

A secret memo sent by the Canadian Association of Petroleum Producers (CAPP) to the federal Cabinet has a long list of demands from the federal government that include the suspension of regulations that protect human and ecological health, delay or kill climate change policies, and hide their lobbying activities by suspending lobby transparency rules. Evidently, the oil and gas lobby is seeking to exploit the global pandemic to ram through just about every measure they have ever lobbied on, most of which have nothing to do with COVID-19 or its impact on oil and gas companies. Many of these demands were previously documented in an [Environmental Defence report](#) from October 2019.

The 13-page memo repeatedly refers to the medical principle "first do no harm," but in this context applies only to government action that would impact the bottom line of oil and gas companies, and excludes the wellness and safety of Canadians, the natural environment, or democracy. Not surprisingly, industry demands that would endanger human safety, trample Indigenous rights and undermine democracy were not included in the recent [CAPP press release](#) about what the government should do during the pandemic.

The list of demands in the CAPP memo is long, but a few themes emerge:

Endangering Human Health and Safety

CAPP wants to suspend or delay a number of federal regulations that are intended to protect the health of Canadian citizens. Included are regulations that:

- Limit the amount of nitrogen oxides and sulphur dioxide, which affect human respiratory systems (Multi-Sector Air Pollutant Regulations)
- Ensure the safety of oil by rail (TDG Rail Security Regulations) and delay safety improvements in the future (Rail Tank Car Timelines)
- Ensure that leaks of methane and other dangerous compounds are detected and fixed (Surveys - Leak Detection and Repair)

Research shows that those exposed to air pollutants are more vulnerable to COVID-19, and yet these measures will increase air pollution. CAPP argues that COVID-19 makes on-site methane tests dangerous, but teams of two can go into oil and gas facilities and test compressors and other equipment for leaks, while work camps that number in the hundreds continue to build pipelines and work at oil and gas production sites.

Doing Everything in Secret

CAPP has been lobbying the government relentlessly over the past month. In the memo, CAPP references two specific meetings between the COVID cabinet committee and CAPP members, as well as the creation of a *COVID-19 Market Crisis Working Group*. However, they don't want the public to know about it. One of CAPP's requests is a modification to the Lobbying Act which would excuse CAPP and its members from having to register their lobbying efforts, citing a strain on resources. If they have the time to lobby, then they have the time to be transparent about it

Speeding Up or Slowing Down Policy Initiatives, Depending on Whether the Oil Lobby Likes Them or Not

In the memo, CAPP suggests that COVID-19 necessitates the delay of implementing certain policies to ensure that proper consultation happens. They include updating the Canadian Environmental Protection Act (which is mandated by law) and finalizing the Strategic Assessment of Climate Change (where consultations have already been conducted).

However, CAPP urges that the federal government speed up other initiatives that will weaken environmental protection. That includes the federal government "immediately" completing equivalency agreements with provinces that have weaker methane regulations than the federal government's, despite there being a legal requirement to post draft regulations and undergo public consultations. It also includes reducing the "timeline and regulatory process" for approving foreign flagged offshore oil rigs.

Halting or Suspending the Development of Any and All Climate Policies

CAPP is asking the federal government to stop progress on every climate initiative that is proposed or under development. That includes:

- Strengthening the 2030 carbon emission reduction target under the Paris Agreement, and additional measures to achieve that
- Setting a net zero emission target for 2050
- Setting 5-year carbon emission reduction milestones
- Finalizing the Clean Fuel Standards, and with three year delays on implementation
- Increasing the federal carbon price
- Finalizing the Strategic Assessment of Climate Change (as discussed above)

Weakening of Regulations that are Not Relevant to COVID-19, with Long Lasting Impacts

Last year, the federal government passed a new environmental assessments law (Bill C-69), which brought about much needed changes to the framework for reviewing industrial projects. CAPP fought to gut the new law, but wasn't able to remove key elements, such as a requirement to consider how a project helps or hinders Canada's climate targets. However, CAPP was successful in weakening the regulations under the new law - with the result that many high-carbon projects were exempt from federal review. Clearly, CAPP wasn't satisfied. In this memo, CAPP is requesting that exploration drilling and in situ oilsands also be removed as projects that must undergo federal review.

Attacks on Biodiversity

CAPP's requests to defer oilsands bird monitoring for the rest of 2020 and postpone a regulation that would improve monitoring will threaten migratory bird populations. Oilsands development is a serious threat to migratory birds due to habitat loss, water contamination, and oiling risk from tailings ponds.

In addition, CAPP has requested that monitoring and reporting activity under the Fisheries Act also be deferred for the remainder of 2020. Robust fishery monitoring is essential for ensuring the health of fish stocks, effectively implementing measures to limit bycatch, ensure the legality of catches and support the long-term sustainable use of fish resources.

Other Specific Examples:

Defer U.N. Declaration on the Rights of Indigenous Peoples legislation: CAPP is essentially arguing that protecting human rights should take a back seat to the interests of oil and gas companies.

Extend deadlines for improving the safety of oil by rail cars: Transport Canada wants to shorten the timeline to introducing newer, safer rail cars that transport oil, which seems reasonable in the aftermath of the Lac Megantic tragedy. The oil industry is resisting that.

Delay oil and gas companies having to register facilities as part of methane regulations: Federal methane regulations were passed two years ago this month, and oil and gas companies have known since then the deadline to register their facilities.

Suspend the filing of lobby meetings until August 2020: It is difficult to understand why it is necessary to decrease the transparency around meetings between oil and gas companies and federal government officials.

Multi-Sector Air Pollutant Regulations: It is interesting that workers who monitor the release of air pollutants from oil and gas sites are considered non-essential by the oil lobby.

Remove exploration drilling and in situ oil sands from the list of types of projects that must undergo federal impact assessment: CAPP doesn't want any of their high-carbon projects to undergo federal review.