

Teck's Frontier oil sands project faced push back from Liberal cabinet ministers

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Several Liberal ministers worked behind the scenes earlier this year against Teck Resources Ltd.'s proposed oil sands mine in Alberta, according to Liberal and government sources.

Teck withdrew its application for the Frontier project, but the internal debate highlighted divisions among Liberals over the party's environmental agenda and whether there is room for compromise in the name of economic development and national unity. In the previous election, the Liberals promised to surpass their 2030 targets for cutting greenhouse gas emissions and reaching net-zero by 2050, although they did not provide details on how they proposed Canada would get there.

During a cabinet meeting in February, Agriculture Minister Marie-Claude Bibeau directly called on Prime Minister Justin Trudeau to listen to the majority of his MPs and ministers who opposed Teck's project, instead of the minority who supported it, the sources said.

The sources added that Ms. Bibeau's comments were directly aimed at Deputy Prime Minister Chrystia Freeland and senior ministers with economic portfolios who were seen as supporting the project. The Globe and Mail is not identifying the sources as they were not permitted to speak publicly about the internal discussions.

Ms. Bibeau refused to comment on Wednesday, as did Ms. Freeland's office.

Alberta Premier Jason Kenney made the federal government's approval of the mine a key demand from his government after last fall's election, in which the Liberals were shut out of Saskatchewan and Alberta. Mr. Kenney framed Ottawa's decision on the Teck project as a test of Canada's ability to develop its natural resources and commitment to the prairie province.

Despite the pressure from Mr. Kenney, the memory of the 2019 election and the backlash Liberal MPs got during the campaign over Ottawa's purchase of the Trans Mountain pipeline expansion project prompted many in caucus and cabinet to oppose it, according to the sources.

In an interview, Revenue Minister Diane Lebouthillier said she felt it would have been hard to defend the approval of Teck's project in her riding of Gaspésie—Les Îles-de-la-Madeleine because of the environmental effects.

"Honestly, yes, it would have been a challenge to sell it," she said on Wednesday. "In terms of large projects, we always have discussions and explore many questions, but it's always important to consider how people in the riding see these issues."

The Liberal and government sources also revealed that in mid-February, at least two ministers pushed back after former Liberal MP and minister Amarjeet Sohi sent an e-mail to all cabinet members setting out reasons they should approve Teck's project.

The first reply came from Seniors Minister Deb Schulte.

"It was just giving some counterarguments to respond to my previous colleague," Ms. Schulte said on Wednesday.

The sources said the second response was from Heritage Minister Steven Guilbeault, who worked in the environmental movement before entering politics

Mr. Guilbeault refused to comment on the e-mail exchanges.

In an interview, Mr. Sohi said the main argument in his e-mail was that Ottawa and Alberta need to work together if Canada is to respect its emissions targets. A former minister of infrastructure and natural resources, Mr. Sohi lost his seat of Edmonton Mill Woods in last October's election.

"We can be net-zero, and we need to work with Alberta to be net-zero. Without Alberta's participation, we cannot be net-zero," he said. "If you marginalize Albertans, then you will not get their support on climate change and you will not be able to achieve your objective of being net-zero by 2050."

During the 2015 election campaign, Mr. Trudeau pledged that climate action and economic development could happen in concert, a position the government continues to hold.

Ms. Schulte added that the discussion over the Frontier project is "moot," given that Teck pulled its application over questions about the project's economic viability before cabinet decided on it.

While the Liberals avoided a hard decision, they also missed a chance to outline exactly how they plan to strike the balance between natural resource development and climate change. The divisions remain, with the episode serving as a reminder that some Liberals now see the fight against climate change as a party plank on which there can be no compromise.

Before the company withdrew its application, most backbench Liberal MPs who spoke publicly about the project were against it.

The Prime Minister is scheduled to meet on Thursday and Friday with Indigenous leaders and first ministers in Ottawa. A key question on the agenda – after the controversy surrounding Teck and the rail blockades in support of Wet'suwet'en hereditary chiefs who oppose a natural gas pipeline in British Columbia – is whether large resource projects can still be developed in Canada.

"We remain focused on ensuring that good projects can move forward in a timely way," Environment Minister Jonathan Wilkinson's spokeswoman, Moira Kelly, said in a statement.

She pointed to the government's purchase of the Trans Mountain pipeline as proof of its commitment to Alberta's oil and gas industry.

"Everybody who cares about Canada's natural resources sector knows that if we innovate and work together, workers and companies can continue to compete and win on the world stage," Ms. Kelly said.