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*Adam Huras*  
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Developing Atlantic Canada's oil and gas reserves has the potential to transform New Brunswick from a have-not province to an economic powerhouse like Saskatchewan, a federal committee researching the industry has heard.

Colleen Mitchell, president of Atlantica Centre for Energy, told a bipartisan panel delving into the cross-Canada benefits of further developing the oil and gas industry that the royalties Saskatchewan receives from the oil and gas sector roughly equate to New Brunswick's equalization payments.

"Once developed, natural gas royalties in New Brunswick could transform the balance sheet of the province," Mitchell told the Standing Committee on Natural Resources. "(New Brunswick has) reserves at 70 trillion cubic feet, which is 10 per cent of Canadian proven resources. The province has recently renewed activity.

"One of the reasons for this is due to increased related infrastructure and pipelines. While early results have been encouraging, current production remains insignificant by national standards. There's a great opportunity here for developing it."

An Alberta member of Parliament, who is part of the committee, is now highlighting testimony that lays out the economic opportunity in natural resource development currently being presented to New Brunswick.

"What we heard is vital for New Brunswick, and for all Canadians to understand," said Tory Calgary Centre MP Joan Crockatt. "Saskatchewan has come a long way from the days when it was a have-not province and all the kids graduated and moved away. Now the youth are staying home and getting great jobs, due in very large part to policies that opened up their oil and gas industries."

Crockatt added that the new testimony signals that "New Brunswick could be the same kind of success story."

The petro-economies of Saskatchewan, Alberta, British Columbia and Newfoundland and Labrador are fuelling Canada's growth, Crockatt said.

"However, there's opportunity for New Brunswick and other provinces to join that team."

The Standing Committee on Natural Resources is chaired by Tory MP Leon Benoit from Alberta.

It includes Quebec Liberal MP Marc Garneau, British Columbia New Democrat MP Peter Julian and New Brunswick Tory MP Mike Allen, among others.

The committee is expected to seek further testimony in the months ahead.

Michael Burt, Conference Board of Canada director of industrial trends, testified in front of the committee last week that the oil and gas sector in Canada represents six per cent of the direct economy and employs roughly 100,000 people. That figure does not include spinoffs, such as the supply chain that supports the industry.

Burt said 30 per cent of the supply chain feeding Alberta oil development is from other provinces.

A “shadow population” of about 40,000 people in Fort McMurray – people who work, but don’t live there – is also aiding other provinces such as New Brunswick.

“If you look at the income they are bring back to their home provinces, in many cases it’s actually larger than the supply chain impacts, particularly for the Atlantic provinces,” Burt said.

Brenda Kenny, president and chief executive officer of the Canadian Energy Pipeline Association, said that the expansion of the country’s pipeline network will specifically expand the benefit of Alberta’s oil development to other provinces.

“There are benefits across the country in all regions,” she said. “The energy pipeline industry is an enabler of prosperity across Canada and continues to be a hallmark of this country’s nation building.”

In her presentation, Mitchell referenced a recent Bank of Canada report that stated the Atlantic Canadian economy is still moving sideways in the wake of the 2008 recession.

“Five years later the gap between Atlantic Canada and the rest of Canada remains significant,” she said.

She stressed that out migration remains at a historic high and pointed to reports from the Atlantic Provinces Economic Council that recorded economic growth in New Brunswick at zero in 2013.

“The development of key oil and gas projects have the potential to reverse these economic trends,” Mitchell said.

She said TransCanada’s Energy East pipeline represents a \$35.3-billion growth in the gross domestic product nationally.

Mitchell then cited a Deloitte study that showed the project would mean \$266 million in new tax revenue to the New Brunswick government during the construction phase and an additional \$428 million during operation.

"This project is of such significance that if it proceeds to completion it will have a profound impact on the Atlantic region," Mitchell said.

She said the Energy East project could also lead to eastern refineries constructing upgrader and coker unit, infrastructure that would result in a \$2 billion investment – a figure she told the committee was a "low end" estimate.

"This region has the potential to become a global centre for energy as it will have a supply source, production, movement, value added, regional use and the opportunity to export," Mitchell said.

She said that could also include shale gas development.

"The benefits include creating a stable, long-term supply of natural gas and lowering tolling fees to local manufacturing, industry and residential users," Mitchell said. "It creates an opportunity for export, it balances the Atlantic energy requirements, and provides a significant source of royalty and taxation revenues to the government.

"For Nova Scotia, there's \$4 billion in offshore investment (in place) until 2025 which generates \$700 million in royalties during that period. New Brunswick has larger proven and probable reserves of natural gas, so that is the level of economic impact that we are considering."