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## One of Liberals' toughest-ever decisions will come this month

Vassy Kapelos, Host of Power & Politics

If you were to play a drinking game with slogans the Liberal government uses most often, you'd get really really drunk on the "middle class and those working hard to join it," followed closely by "the environment and the economy go hand in hand."

It's the second slogan that will face what could be its greatest test at the end of this month. That's the deadline for the federal cabinet to make a decision on the \$20.6-billion Frontier Teck mine in northeastern Alberta.

The mine would be huge: twice the size of the city of Vancouver. It would produce up to 260,000 barrels of bitumen a day. Its potential economic impact is big too: 7,000 construction jobs, 2,500 operational ones and billions in tax revenue: \$12 billion for the feds, \$55 billion for Alberta (over its expected 40-year lifespan).

The company has secured Indigenous support -- 14 First Nations have signed agreements ([though it's not that cut and dried](#)) -- and the joint review panel that put the project through a rigorous regulatory review deemed it to be in the public interest.

But like all projects of this size and impact, it isn't that simple. In its review, the panel acknowledged the mine "may make it more difficult" for Canada to meet its Paris emissions reduction targets (we're already not on track to meet them, btw, plus the Liberals added a new target in the election campaign -- "net zero" emissions by 2050).





Prime Minister Justin Trudeau responds to a question during Question Period in the House of Commons, Wednesday (The Canadian Press / Adrian Wyld)

The project would generate about 4.1 megatonnes of emissions per year over its lifespan, though other estimates put it higher. The review panel also acknowledged that although Teck claims the operation will be best in class when it comes to carbon intensity, the evidence the company provided did not conclusively show that would be the case.

Alberta Premier Jason Kenney wasted no time in framing the issue as a litmus test for whether Ottawa cares about Alberta or not.

“If they say no to this project, then they are signalling [Trudeau’s] earlier statement that he wants to phase out the oilsands,” Kenney said last week, referring to a 2017 statement made by the prime minister at a town hall where he said the oilsands needed to be phased out (he later walked it back).

So what is cabinet going to do? They have a decision to make based on the merits of the proposal in front of them -- but there’s major politics at play here too. Do they further alienate a sector and province that already feels abandoned by them, or do they alienate the voters who supported them in the last election and want more action on climate? That’s as lose-lose for them as my last trip to the casino.

As someone close to the prime minister broke it down for me, “this is way harder than TMX.” I’m told the decision is a struggle around the cabinet table – but they are leaning toward a plan outlined by former natural resources minister Amarjeet Sohi in the Edmonton Journal last week.

Here’s how it would play out. Cabinet would approve the project, but as is their right, they’d attach conditions. One of those conditions would be directed at Jason Kenney requiring him to legislate a change to Alberta’s current emissions cap.

Under the current cap the oilsands can only emit 100 megatonnes of greenhouse gas emissions every year. In order to approve the new Teck mine, the feds want that cap to decrease to net-zero by 2050 (which is in line with that net-zero emissions promise the Liberals made during the campaign).





Alberta Premier Jason Kenney (The Canadian Press / Dave Chidley)

A source in the Kenney government says the feds haven't floated the idea with them, but it's not something they'd reflexively say no to. The province is eager to find a path to yes for the Teck Frontier project, and they're frustrated Ottawa hasn't put forward more specifics. Talks are happening though. Premier Kenney and Deputy Prime Minister Chrystia Freeland spoke twice last week, and are slated to again when they head to Washington later this week.

But even if it is palatable to Kenney's government - will it assuage anger from those who want more action on climate? That is a harder sell. Think about the way in which giving TMX the green light was framed by activists -- "you say you care about climate change but you're building a pipeline?!" That reaction will likely only be amplified if Frontier is approved.

Whether it goes ahead even then is an entirely different story. Even with cabinet's approval, the market has changed and Teck's own CEO said as much last week.

Ironic that the feds are agonizing about a decision that has little political upside for them -- and it may all be for naught.

*Vassy Kapelos is host of Power & Politics, weekdays at 5 p.m. ET on CBC News Network.*

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***We want to hear from you! Tell us what you think about the Teck Frontier mine and we may include your thoughts in the next issue of our newsletter. Email us at [politics@cbc.ca](mailto:politics@cbc.ca)***

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## Power Lines