



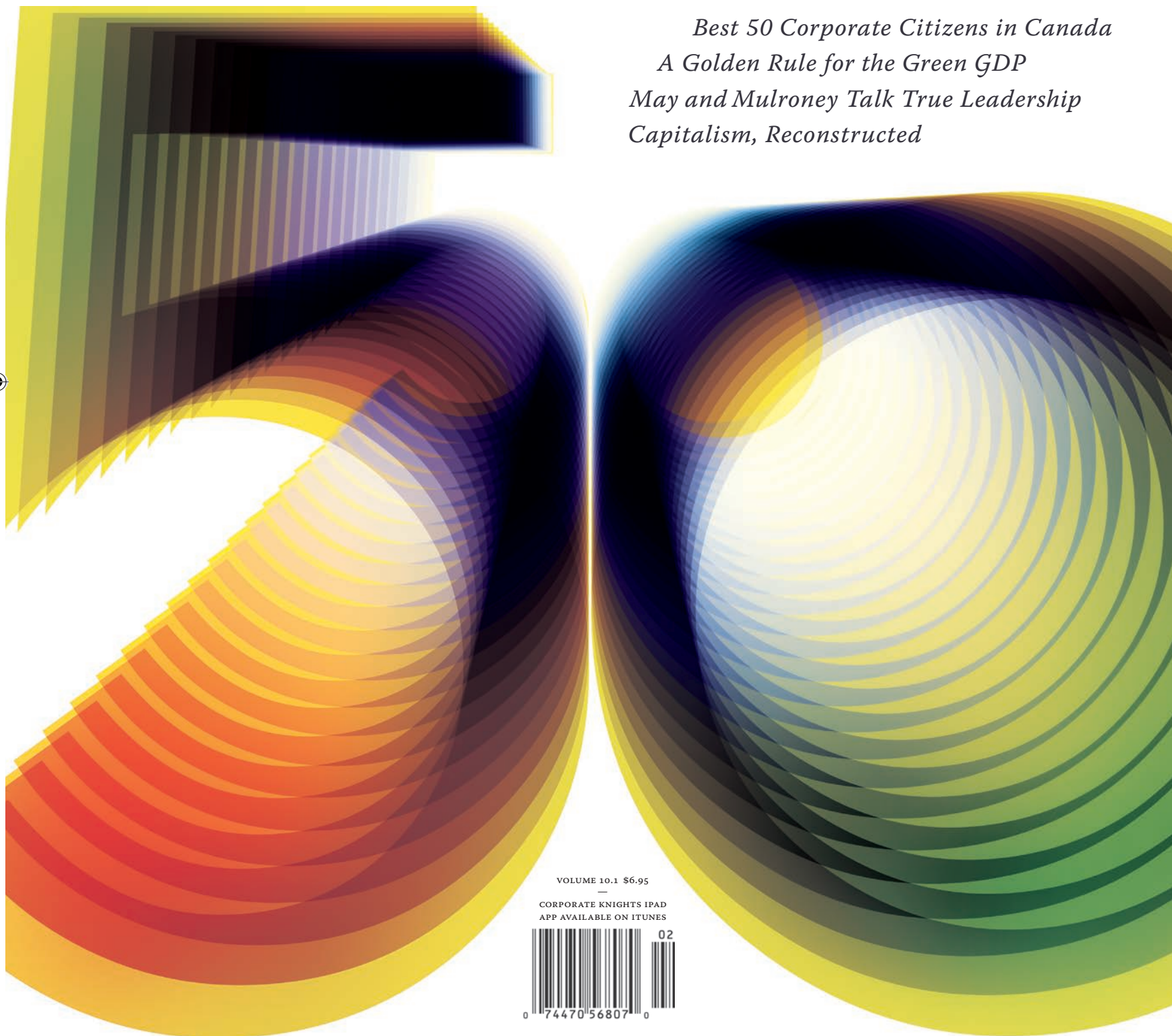
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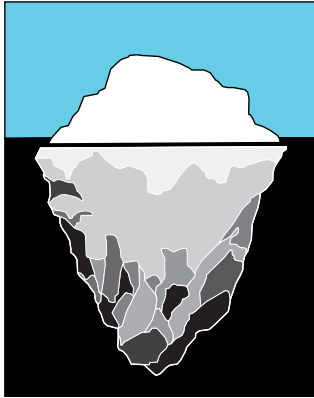
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Pipe dreams

A proposed natural gas pipeline that will cut through the Mackenzie Valley in the Northwest Territories claims to be environmentally and socially conscious in its developments, but some say the proof is elusive

by ISHA THOMPSON

These days, corporate responsibility is on the agenda of most industries. With the devastating effects of climate change appearing around the globe, sustainable practices are emerging with unlikely corporate bedfellows, like the oil and gas sector. In the Northwest Territories, the Mackenzie Gas Project, a proposed natural gas pipeline system, is attempting to join the responsible ranks, touting participatory engagement of local Aboriginal communities during the development process. But it might be all bluster and little commitment, as some say their efforts fall short.

"Where they fell down was on the bigger issues," explains Sierra Club Prairie advisor

Stephen Hazell, referring to the group of oil and gas companies (Imperial Oil, Shell Canada, ConocoPhillips Canada and ExxonMobil Canada) that have invested in the Mackenzie Gas Project. "For example, [how] climate change will influence the project itself—they have no clue about that," says Hazell.

The proposed 1,200-kilometre pipeline will carry gas from the Beaufort Sea in the Arctic, along the Mackenzie Valley in the Northwest Territories, finally tying into gas pipelines in northern Alberta. The proposal has continued to evolve since 2003. To evaluate the foreseeable impacts of the project on Northern communities and the surrounding environment, the Joint Review Panel for the Mackenzie Gas Project issued a report to the National Energy Board (NEB) that included 176 environmental and social recommendations to help reduce the project's damaging effects. The Sierra Club has been tracking the project's progress and, after participating in several meetings, Hazell is less than impressed.

The Sierra Club and other environmental groups were disheartened when some of the key recommendations of the report were considered irrelevant to the NEB's decision to approve the pipeline in December 2010. One of the more contentious decisions by the board was its refusal to consider the end use of the natural gas when evaluating the potential environmental effects of the proposed pipeline.

An excerpt from an NEB report on the approved advancement of the project reads, "There is no direct connection between the Mackenzie Gas Project facilities and a specific facility where gas will be burned, thus it is not relevant to our decision."

Hazell firmly disagrees, emphasizing that how the gas is ultimately used plays a significant role in the environmental outcome. "It matters where the gas from the Mackenzie Gas Project ends up. If that gas is used to ramp up the production of oil from tar sands, it will increase greenhouse gas emissions." On the other hand, natural gas used to displace coal-fired generation would reduce emissions, he says.

Another key discussion concerning the pipeline involves the socio-economic and cultural impacts on the surrounding Aboriginal communities.

The oil and gas companies involved in the project have partnered with the Aboriginal Pipeline Group (APG), which includes an equal partnership between the Sahtu, Gwich'in and Inuvialuit communities. The pipeline will cross all three settlement regions. APG was contacted for comment, but did not respond.

With the expectation of 7,000 new jobs in the Northwest Territories during construction, a \$500-million social economic impact fund from the Government of Canada and projected revenues, the APG website refers to the project as "the future of the Mackenzie Valley."

Despite APG's backing of the pipeline, there is a wary community stakeholder not yet sold on the Mackenzie Valley's possible future. The Dehcho First Nations are not convinced the current proposal is aligned with the fundamentals of the sacred treaty rights. Dehcho Grand Chief Samuel Gargan says he will not sign on to the agreement until he is satisfied the project is committed to preserving settlement lands for future generations.

"Once you start to destroy the land, it is pretty hard to reclaim it. You have to look at the big picture with these projects," says Gargan, adding that he is weighing both the socio-economic and environmental impacts of the pipeline.

Imperial Oil has reportedly been committed to the consultation process with community members from the start. Company spokesperson Pius Rolheiser estimates that thousands of meetings have taken place to discuss the concerns of the various Aboriginal leaders. Imperial Oil's position is that the project will not go forward without the full support of all parties in the area.

"We are continuing to meet with the Dehcho First Nations; we're making what I would call encouraging progress," says Rolheiser. "Our plan is that by the time we are in a position to make a decision to construct that we would have signed a benefits and access agreement with the Dehcho First Nations."

With nearly 6,000 permits still needed before construction can legally begin, Imperial Oil says a final decision on the fate of the pipeline will not be made before the end of 2013. 