

*National Energy Board Act*

**Mr. MacLaren:** I would like to review for the House the various responsibilities and functions of the National Energy Board to which the hon. member for Vancouver-Kingsway (Mr. Waddell) has referred. As the House will be aware, one of the most important tasks of the National Energy Board is regulatory activity. Also, of course, it has a principal advisory capacity. The board's decisions and advice, directly and indirectly, affect the lives of all Canadians since it is involved in virtually all federal energy related matters.

I should like to remind the House, Mr. Speaker, of the general responsibilities and functions of the board, and to review for a moment the activities of the board over the last several years in order to give an insight into its various operations.

I shall conclude by reviewing the proposed amendments again if the hon. member opposite would find that useful. I might just say in summary that although I find the member's proposed amendments in some ways commendable, they are on the whole superfluous.

The genesis of the National Energy Board can, of course, be found, as the hon. member implied, in the final report of the Gordon commission on economic prospects in 1957 and the Borden royal commission on the export of energy resources the following year.

The National Energy Board Act of 1959 and subsequent amendments give the board two principal responsibilities: to regulate specific areas of the oil and gas and electric utilities in the public interest; and to advise the government on the development and use of energy resources. Under the rubric of its regulatory responsibilities, the board has three basic functions. First, granting certificates of public convenience and necessity for construction of pipelines and international power. Second, issuing licences for the export and import of power, natural gas and oil. Third, approving utility rates, tariffs and tolls.

In addition, the board is required to administer certain provisions of the Petroleum Administration Act. This responsibility consists of imposing and collecting a charge on the export of crude oil and certain petroleum products and the regulation of the price of natural gas in both interprovincial and export trade. The board is also responsible under the Northern Pipeline Act for the approval of certain conditions for the construction of the natural gas pipeline along the Alaska highway. These relate mainly to the incentive rate of return schemes, financing and tariffs, approval of pipe specifications and the granting of leave to open orders. Under an agreement between the federal government and Foothills Pipe Lines (Yukon) Ltd.—that is the Dempster Link agreement—the company has been required to carry out feasibility studies leading to an application to construct a lateral pipeline along the Dempster highway from the Mackenzie Delta to Whitehorse.

In its advisory duties, the board is charged with monitoring and reporting to the minister of energy on virtually all aspects of energy, making such recommendations as it considers advisable in the public interest. It also prepares studies and reports

on other matters related to energy and makes recommendations on appropriate national and international co-operative arrangements.

The outline of the board's role in the national energy field gives substance to the definition of the board as "the turnkey agency in a panoply of federal and provincial bodies." When the board, for instance, is ready to grant a certificate for a pipeline or a power line, or to issue a licence for the export of natural gas or electricity or the import of natural gas or the export of oil for a period exceeding one year, it reports to the governor in council through the minister of energy. If the governor in council approves the issuance of a certificate, then it is issued by the board. In the case of an export application, a licence issued by the board goes into effect as soon as it is approved by the governor in council. When the board refuses an application, the decision is not subject to referral to the governor in council. The board's reports on all these matters are issued as public documents.

Due to the special nature of the trade in crude oil and petroleum products, specifically short-term contracts with the need to make decisions on a daily basis, oil export controls, except for those licences for periods in excess of one year, are implemented directly by the board without reference to the governor in council.

Applications for orders authorizing the export of natural gas and certain other petroleum products for periods of up to one year are also dealt with by the board without reference to the governor in council. Decisions regarding rates, tolls and tariffs are also implemented by the board without reference to the governor in council. The Federal Court of Appeal may reverse the board only on matters of law or on jurisdiction, not on substance.

The number of decisions and the number of inquiries which the board is able to hold each year is a remarkable achievement. In 1979 the board conducted inquiries across Canada on 13 separate topics and issued 2,217 certificates licences and other authorizations. I might add, this compares favourably with the record of United States Federal Energy Regulatory Commission which has been criticized for the backlog of applications waiting to be heard and what might be called the glacial pace of its decision-making.

I hope that with these few words the hon. member opposite will accept the position that the amendments he has brought forward in his bill are, as I stated earlier, in some respects either superfluous or could create delay. I hope he will now join with me in recognizing the competence, skill and devotion of the National Energy Board in carrying out its important function.

● (1640)

**Mr. Roger Simmons (Parliamentary Secretary to Minister of State for Science and Technology and Minister of the Environment):** Mr. Speaker, my colleague and seatmate, the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. MacLaren) has covered very well many of the cautions which have to be borne in mind before one contem-