

## Chapter 5

### THE REGULATORY PROCESS

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*We have now put many hurdles in the way of development, with government regulations, permits, licences and so on, which have increased the uncertainty and caused outlays of much larger sums of money without knowing if there is a chance of recovery. The more we can provide a climate where that uncertainty is reduced, it will be beneficial for Canada as a whole. (Mr. C.G. Edge, NEB, Issue 36:83, 15-9-1982)*

#### A. The Present Process — A Commentary

The process of arriving at decisions on major development projects has evolved from simple Cabinet approval to a vast and complex array of departmental and regulatory procedures. In the geographic area north of 60° with which this report deals, these procedures now encompass numerous committees and review boards and as many as 72 federal acts, regulations and Territorial Ordinances. Novel development activities combined with extreme conditions, remoteness and the relatively slow recovery of northern ecosystems lead to closer scrutiny than is the case for southern operations. While each regulation is designed to meet the requirements of a particular set of circumstances and thereby serve the public interest, sponsors and regulators face a confusing array of often duplicating and conflicting requirements when all these regulations are taken together. The problem has been compounded by lack of policy direction, resulting in a fragmented and confused *ad hoc* regulatory system. One is tempted to ask whether the process set in place to safeguard a variety of legitimate interests in fact ends by paralyzing constructive development.

Industry claims that the complexity of the regulatory approval system is undermining our ability to bring resources from frontier regions expeditiously to meet Canada's goal of oil self-sufficiency. According to industry, over the past few years the pace of development has been slowed by government's restructuring of legislation and regulations and by the introduction of elaborate assessment processes to meet the special concerns of the North. The formidable arctic conditions translate into high operating costs and restricted operational periods for industry — government regulatory requirements therefore impose a greater economic