



In Alberta/British Columbia pipeline dispute; Horgan 'blinks', but leaves himself lots of elbow room

By Brandon Jacoby, Senior Consultant

For BC and Alberta's NDP, February 2018 may go down in history as the most eventful month of their respective governments.

Days after delivering their second Budget, BC Premier John Horgan backed away from a pledge to attempt a moratorium on new pipeline construction in BC's coastal areas pending a consultation on BC's ability to clean up a potential spill. The initial pledge enraged his friend and neighbour, Alberta Premier Rachel Notley, who has staked her party's re-election on the building of Kinder Morgan's Trans Mountain pipeline, which will twin an existing pipeline between Edmonton and BC's coast.

BC's obstruction of the Trans Mountain pipeline escalated to a small trade war, with Alberta banning imports of BC wine into the province and Premier Notley using strong words and actions to try to force the federal government to push the pipeline through. With the apparent softening of Horgan's stance, Premier Notley lifted the wine ban and the two provinces leaving the two provinces with greater flexibility to work towards a compromise.

Notley and Horgan are old friends from their days working together in the BC NDP governments of the 1990s and have put forward remarkably similar agendas in their home provinces. One of the first acts of both governments was banning corporate and union donations. They have both focused on issues of affordability as well: Notley cancelled the previous government's plans to introduce a health care levy; Horgan cut Medical Services Premiums in half, with a goal to eliminate them altogether. Notley froze tuition fees; Horgan cut student loan interest. Notley capped electricity prices; Horgan froze hydro rates.

Indeed, a major theme in BC Budget 2018 was 'making life better', a line that has been a major slogan for Alberta's NDP over the past year. This Budget outlined several more major measures straight from Rachel Notley's playbook: increasing the minimum wage to \$15/hour, affordable child care, creating (or strengthening) the Human Rights Commission, modernizing their resource economy, improving relations to Indigenous people, promoting innovation, hiring teachers, and maintaining quality public services. In a lot of ways, BC's Budget could have been written by either NDP government. With so much policy in common, it's a wonder how the 'pipeline war' escalated the way it did.

When it comes down to it, it's an issue of credibility. Both governments needed to appear credible to the set of electors that are most likely to keep them in government. Horgan's government is propped up by an agreement with the BC Greens, but they could be facing an election as soon as the Greens withdraw their support. Horgan needs to appear credible to (small-G) green voters to keep many of their seats, particularly on Vancouver Island and the Lower Mainland. Horgan's government lost significant face among green voters with its approval of the Site C Dam and when Green leader Andrew Weaver publicly threatened to bring down the government over liquefied natural gas 'cheerleading' during a trade mission to Asia. The pipeline moratorium was a strong signal to those voters that his NDP government is serious about environmental protection.

On the other hand, building the pipeline would create more jobs in the building trades, which would make the Horgan's friends in the labour movement happy. Horgan had nothing to lose. If the project goes through, Horgan is able to say that he made the best effort he could, while winking at the construction trade unions. If the project gets cancelled, Horgan gets a significant win for his green voters while he gets to blame the federal government or Kinder Morgan for their failure to show environmental leadership.

Meanwhile, Alberta's NDP couldn't afford to lose. They have constantly fended off accusations of being anti-pipeline, too pro-environment and unwilling to listen to industry. Notley's government introduced a carbon tax in 2016 which was supposed to have created the 'social license' for the building of pipelines. But to date, they have not been successful, hurting their credibility among industry and oil and gas workers. The party's path to re-election runs through Calgary and rural Alberta, where almost everyone has some sort of affiliation to the oil and gas sector. They experienced a very visible loss when the Energy East pipeline project was cancelled in October 2017, so they need shovels in the ground on at least one pipeline to restore the credibility of their carbon tax to a sceptical electorate. Trans Mountain is Alberta NDP's final chance to get a pipeline started before the May 2019 election and they will do anything in their power to get it built.

Notley faces a Conservative opposition that has vowed to reverse all the NDP's accomplishments if they defeat Alberta's NDP in the May 2019 election. For Notley and her supporters, all that her government has achieved will be for nothing if they lose this election.

Similarly, for BC's Horgan, all that his government has achieved, and wants to achieve, will be negated if the BC Greens pull out of their agreement and the BC NDP lose the subsequent election. If the pipeline is cancelled or delayed, Horgan would soon be facing a government in Alberta that will give him bigger headaches than Notley ever would. BC's decision to back off is a win for everybody. Notley will finally get her pipeline, Horgan will have regained some credibility among the green voters and created some jobs for the building trades. He may have 'lost' the pipeline battle, but his government continues to fight the war at home.

Brandon is a Senior Consultant at Maple Leaf Strategies. He spent five years working for the NDP and NDP-affiliated politicians and campaigns at all levels of government.