



Stop Finding Reasons to Say No

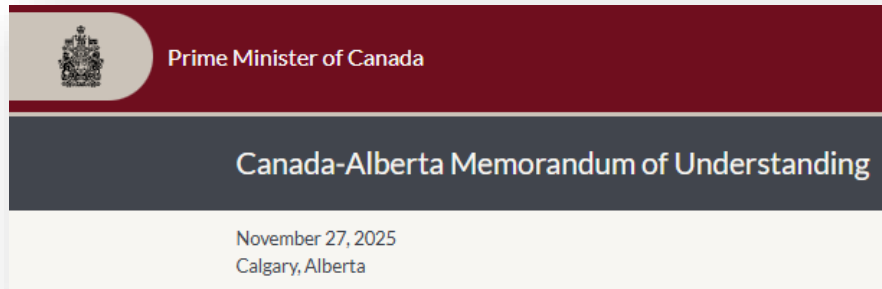
Major Projects Saddled with Endless Barriers and Last-Minute Pile-ons

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MAJOR PROJECTS: STOP FINDING REASONS TO SAY ‘NO’

On March 6, 2026, the federal and Alberta governments announced an agreement in principle that, it was claimed, would help to accelerate the review of major projects. The press release issued by the federal government stated that this new agreement delivered on the commitments made in the Canada-Alberta Memorandum of Understanding signed in November 2025 and would “bring a ‘one-project, one review’ approach to major infrastructure initiations in Alberta” and “create a more streamlined assessment process that delivers major projects faster, reinforces strong environmental protections, and ensures the rights of indigenous communities are respected”.



<https://www.pm.gc.ca/en/news/backgrounders/2025/11/27/canada-alberta-memorandum-understanding>

In a subsequent interview with the CBC’s show *Power and Politics*, Alberta Premier Danielle Smith stated that the deal represented the culmination of “a lot of years of battle”, clearly giving the impression that it would mark a significant change in the prospects for building new energy projects, including pipelines that would allow increased access to foreign markets. A reading of the actual agreement and an understanding of the challenges posed by current project assessment requirements make it clear how modest this change is.

It is important to understand what the agreement in principle actually does and does not do.

What it does:

- It expresses a common undertaking of both governments to work together more cooperatively with respect to the regulatory reviews of proposed energy projects, with the goals of eliminating duplication and streamlining assessment.
- When a proposed projects is primarily within provincial jurisdiction, **it confirms Canada’s intention to recognize Alberta as best placed to undertake an assessment** and to rely on Alberta’s environmental assessment or regulatory processes to assess

adverse effects of the project including those effects within federal jurisdiction, as defined in the federal *Impact Assessment Act* (IAA).

- When a proposed project is or includes a federal work or undertaking or is on federal land, **it confirms Canada’s commitment to integrating Alberta’s environmental assessment and regulatory process requirements into the federal assessment.**
- In the event that both federal and provincial assessments apply to a proposed project, **It expresses the parties’ commitment to avoid duplicative processes;** in those cases, the Impact Assessment Agency of Canada (IAAC) and the applicable Alberta regulator will develop a cooperative arrangement that will lead to a single assessment process to meet the legislative requirements of both jurisdictions.
- It expresses the parties’ intention that **any impact assessment required under the agreement will be completed within a maximum of two years from the receipt of the initial project description.**
- Where a joint assessment process is undertaken, it confirms that the parties will jointly review potential conditions to include in the decision documents.
- It expresses the intention of both parties to “seek to coordinate” open, transparent, effective and timely communications with the public to support participation in assessments.

What the agreement does not do.

- **It does not grant Alberta any role in the impact assessment of projects where those impacts occur outside of Alberta.**
- **It does not change any of the criteria that must be applied by the federal government in assessing the impacts of projects under the *Impact Assessment Act* or the *Canada Energy Regulator Act*.**
- **It does not change any of the factors that might affect project approvals, conditions or rejections after the completion of the project assessment phase.**

In short, while the agreement is a desirable one in terms of reducing duplication of regulatory functions and it may help to reduce the time that projects spend in the assessment phase. It has at best only a marginal benefit in terms of increasing the prospect that projects will be approved. It does not at all address the central barriers to the construction of oil and natural gas pipelines to the Pacific coast. To understand the limitations of this agreement, one must view the context within which project assessment occurs.

Canada’s Project Approval Processes

At the federal government level, **Canada’s project review and approval process now consists for two parts, or three if the project involves the construction of an interprovincial or international hydrocarbons pipeline or electricity transmission system.** The three are the process established under the IAA, the process established under the *Canada Energy Regulator*

Act (CERA) (for pipelines and transmission lines) and the process established under the Building Canada Act.

In two previous articles, “Beyond Reason and Accountability”¹ and “The Federal Plan to Accelerate Pipeline Building – Let’s Pretend”², I described the main features of these systems and prospects for them to reduce the time required for a proponent to receive a decision. Notably, the processes include the following parts.



Project approvals in Canada can feel like an elaborate, multi-billion-dollar game of Snakes and Ladders. “In the National Interest” designation may send your project up the ladder, only to have a bad roll of the dice that makes you slide back down a snake to the bottom. Image licensed from Adobe Stock.

Pre-planning:

- The proponent submits an Initial Project Description (IPD) to the Major Projects Office
- The Major Projects Office consults with affected indigenous groups, external stakeholders and other government agencies to identify their issues and concerns
- The proponent must respond with a Detailed Project Description that indicates how it plans to respond to the issue raised.
- The planning phase should be completed within 180 days, but can be extended.

¹ <https://blog.friendsofscience.org/2025/10/07/beyond-reason-and-accountability/>

² <https://blog.friendsofscience.org/2025/06/13/the-federal-plan-to-accelerate-pipeline-building-lets-pretend/>

Project Designation:

- The Major Projects Office judges whether the project must undergo detailed assessment (based on advice from the Minister of the Environment and Climate Change) and, if so, makes a recommendation to the Minister as to whether he or she should recommend to the Governor in Council (the Cabinet) that the project should be deemed to be “in the national interest”.
- **There are five factors that the IAA requires Cabinet to consider in determining whether a proposed project is in the national interest.** It must: strengthen Canada’s autonomy, resilience and security; provide economic and other benefits to Canada; have a high likelihood of successful completion; advance the interests of Indigenous Peoples; and **contribute to clean growth and to Canada’s objectives with respect to climate change.**
- If the project is not deemed in the national interest, it proceeds through the usual review processes under the IAA and CERA.
- If Cabinet deems the project to be in the national interest, it qualifies for “all-in-one authorizations”, where the Minister issues a single document deeming all necessary regulatory approvals, permits, and conditions to be met. Cabinet also has authority to create regulations that exempt projects from certain environmental or other regulations, or to vary their application.

Impact Statement:

- The proponent must file the necessary applications to the Impact Assessment Agency and the Canada Energy Regulator as applicable.
- The application must include, among other things, an Impact Statement that includes design plans, research studies and consultation outcomes.
- Preparation of the Impact Statement can take up to three years.

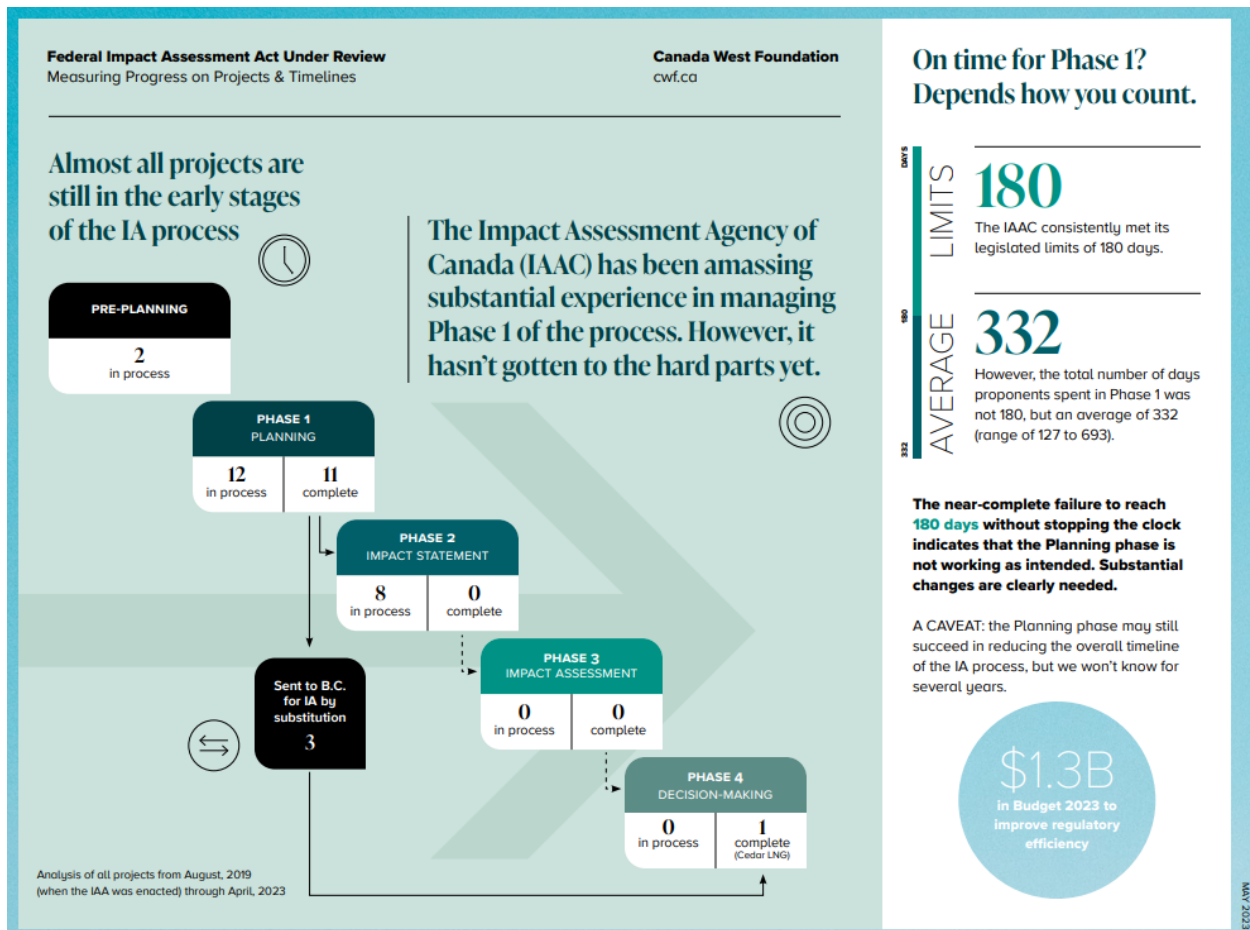
Impact Assessment:

- The Impact Assessment Agency and the Canada Energy Regulator carry out their detailed reviews of the project, which may include public hearings.
- **The Impact Assessment Agency must take into consideration eleven factors in conducting its assessment;** these include “the extent to which the designated project contributes to sustainability” and “**the extent to which the effects of the designated project hinder or contribute to the Government of Canada’s ability to meet its environmental obligations and its commitments in respect of climate change**”.
- An Impact Assessment Report, which includes a recommendation to the Minister of Environment and Climate Change as to whether or not the project should be approved, and conditions that the proponent must meet, must be prepared within 300 days, or 600 days if a review panel is involved.

- The CER is responsible to carry out a review of a project on the basis of 21 considerations, any one of which could, if not met, potentially cause it to recommend against approval. One of those considerations is that the project must contribute to clean growth and Canada’s meeting its climate policy objectives.

Ministerial and Cabinet Review:

- The reports of the IAAC and CER go to the Ministers responsible, which include the Minister of Natural Resources, the Minister of Environment and Climate Change, and the Minister of One Canadian Economy. The recommendations of these Ministers are then subject to approval by Cabinet. The decision must be made within 30 days if the Minister of the Environment and Climate Change is making the decision or 90 days if the decision is being made by Cabinet.



Canada West Foundation’s review of the IAAC provides alarming insights into the challenges faced in simply getting project approval. Read the full report: <https://cwf.ca/research/publications/report-federal-impact-assessment-act-under-review/>

Industry's Views on How to Improve the System

It should be clear from the above description that the time from initial project approval by a company's Board of Directors and final federal government decision remains quite long, even in cases in which the project is deemed to be in the national interest. It also should be clear that there is a long list of hurdles that need to be overcome.



Solve for procedural "death by a thousand cuts"

A [paper](#) recently published by the Business Council of Alberta presents an excellent list of the goals that Canada should pursue to achieve a "world-leading" major project review system. It observed that **"Simply put, Canada's current review system is designed to find reasons for government to say 'no'"**. The following ideas (and much of the text) were lifted from the paper:

Shorten project review timelines and adjust regulatory risk tolerance

Regulators often pile on so many requirements that a business cannot meet its deadlines, forcing it to request an extension.

Lead agencies and permitting bodies should be prohibited from assigning last-minute review requirements to proponents. They should scale maximum review and permitting timelines to align with a project's complexity, risk level, and novelty (i.e. less risky complex and well-understood projects should have shorter timelines). Governments should require lead project review agencies to more appropriately scope project assessments to focus their resources on the most material, project-specific risks, and not on standard, well-understood risks with a history of successful mitigation. Finally, governments should require lead agencies to use a "trust-but-verify" assessment and auditing model for standard, well-understood, easily mitigated risks tied to proven industry best practices or existing regulatory requirements.

Rein in increasingly expanding and unpredictable review scope

Today in Canada project reviews are ballooning in size, scope and complexity; review requirements are unpredictable; and bureaucratic delays are piling up. The result is that investment and jobs are going elsewhere.

Among other things, regulators should simplify and reduce the number of conditions attached to project certificates. One condition should require one requirement; and conditions should not be used to add review requirements that should have taken place earlier.

End the bureaucratic disruption of narrow construction windows

Canadian law places often onerous restrictions on when major project construction can take place to avoid disrupting animals' migratory, nesting and spawning seasons and/or when endangered species are potentially at risk. This can have major effects on the timing and cost of project construction, especially given that Canada's climate results in relatively short construction seasons in some areas.

Government officials sometime place very onerous requirements on companies, demanding "perfection" instead of accepting genuine, though imperfect, efforts to mitigate impacts. A minor infraction can cause a compliance officer to shut down an entire project.

Instead, the government could prohibit on-site inspectors from stopping construction on an entire project unless there is evidence of project-wide negligence that cannot be mitigated within existing environmental protection plans (in other words, allow only localized stop-work orders for minor infractions).

Reduce repetitive and inappropriate stakeholder interventions

Since the Impact Assessment Act came into effect, **there are almost no restrictions on who can comment and provide input on a proposed major project.** Some individuals and groups are taking advantage of this, using the lack of rules to slow down and potentially kill projects by drowning the approval process in repetitive claims during the hearing and approval processes. This drives up project costs, causes significant delays and creates uncertainty that can itself defeat projects whose construction is in the public interest.

The government should reintroduce the concept of "standing" to limit public information requests during environmental assessments. It should consolidate similar stakeholder input and reduce the burden on proponents to respond to stakeholders that are not directly affected by a project. Further, project review and permitting agencies should evaluate and filter intervenors' requests so that proponents are not forced to answer duplicative requests or requests that are addressed by adhering to existing laws.

Solve for procedural "death by a thousand cuts"

Canada's major project review and approval processes often involve multiple federal government departments and agencies. For the process to go smoothly, they should coordinate their efforts.

The government should require the Treasury Board Secretariat and the Major Projects Office to study the ongoing project reviews and report to Parliament offering recommendations on how to improve coordination and whole-of-process efficiency.

Improve and streamline Indigenous participation in project reviews

Every government department involved in major project assessment, review and certification conducts its own consultations with Indigenous groups, leading to overlaps, inefficiency and delays. The quality of government engagement varies considerably depending on the department doing the consultations.

The government can improve this situation in many ways. These include providing proponents with indigenous consultation guidance that, for example, includes clear limits on consultation requirements, maps identifying Indigenous people to consult, harmonized federal and provincial requirements, and protections from legal challenges to the use of this guidance. Importantly, the government should clarify how the Crown discharges its duty to consult and accommodate, including how the Crown can leverage pre-existing relationships between Indigenous peoples and proponents, while drawing clear distinction between the Crown's rights-based consultations and a proponent's benefit-sharing negotiations.

Environmental Assessment as a Policy Tool

Historically, environmental assessment of proposed energy projects was carried out by the responsible departments and agencies in much the same way as they assessed the economic, social, financial, engineering, inter-governmental and other public policy considerations. It had no special form of regulation and the procedures used were not subject to judicial review. Environmental assessment became subject to judicial review in Canada in the late 1980s, specifically following court decisions in 1989 that determined the federal government's Environmental Assessment and Review Process Guidelines Order (EARPGO) was a legally binding process, not merely an administrative one.



People need thoughtful environmental management, and they need jobs and beneficial products made by mining, forestry, agriculture, and energy industries. It is not one or the other.

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Since then, various interest groups, including especially but not exclusively environmental and Indigenous groups, have regarded the assessment process not just as a process for public policy decision making but as a tool that could be used to delay, obstruct or force changes to projects with which they disagree.

Marx explained that the campaign is about trying to persuade business to stop establishing offices in the province. In addition to billboards, the campaign will draw heavily on social media with a full website, Rethink Alberta, online banner and flash ads on major tourism websites and Google ad buys for search terms like "Alberta" and "tourism" to help direct Internet users to its website. The campaign is expected to go on for several years. "We think it will have implications not just for tourism but also for the willingness of companies to do business there and to establish headquarters or affiliates there," Marx said. A number of U.S. groups are backing the effort, including Rainforest Action Network, Forest Ethics, Global Community Monitor and Friends of the Earth. In Canada, Marx said the campaign would have mostly "silent" supporters, suggesting that was for their protection. "We're expecting a lot of backlash from Alberta," Marx said. According to Marx, the campaign's "big goal" is to end expansion of the oil sands. Key to that, he said, is blocking approval of a \$7 billion pipeline under review by the U.S. Department of State.

The Tar Sands

Campaign features an elaborate network of well-paid, professional activists who operate virtually unfettered in Canada. Excerpts of the IFIP 9th Annual Conference Report.

First Nations still have title to the lands. We have taken a multiple strategy approach. We have done a lot of community consensus building, we have asking the community members elders how they feel about this project. An NGO that has been providing legal advice for us and Jack's firm is helping up now. There is definitely court case in the future. We have been building unity with other First Nations, not only effected by the pipeline, but also the Tar Sands. We have visited with one another. We are collaborating with the other environmental organizations, the public and the general public in our area and just trying to educate people on the issues.



Adding to the already onerous and time-consuming process the legal requirements that climate policy (i.e. the pursuit of net-zero greenhouse gas emissions by 2050) must be

furthered represents the ultimate impediment to a project review process in which all public interest considerations should be given roughly equal weight. As noted previously, this requirement now may apply three times – when Cabinet decides whether a proposed project should be deemed in the national interest, when the IAA assesses the merits of the project and, in the case of pipelines, when the CER assesses the merits of the project.

Making the process more efficient, while offering some benefit in terms of reducing the uncertainties and costs of the system, cannot offset this fundamental feature of it.



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About the Author

Robert Lyman is an economist with 27 years of experience as an analyst, policy advisor and manager in the Canadian federal government, primarily in the areas of energy, transportation, and environmental policy. He was also a diplomat for 10 years. Subsequently he has worked as a private consultant conducting policy research and analysis on energy and transportation issues as a principal for Entrans Policy Research Group. He is a frequent contributor of articles and reports for Friends of Science, a Calgary-based independent organization concerned about climate change-related issues. He resides in Ottawa, Canada. [Full bio.](#)

About Friends of Science Society

Friends of Science Society is an independent group of earth, atmospheric and solar scientists, engineers, and citizens that is celebrating its 23rd year of offering climate science insights. After a thorough review of a broad spectrum of literature on climate change, Friends of Science Society has concluded that the sun is the main driver of climate change, not carbon dioxide (CO₂).

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