



Canada's World-class Safety System

Pipelines are a safe, efficient and reliable way to move Canadian energy to consumers. For example, between 2009 and 2013, 99.999 percent of the crude oil and petroleum products transported by Canada's federally regulated pipelines arrived safely, and during the past three years (2011-2013), 100 percent of the liquids released by these pipelines were completely recovered.

The Government of Canada is building on this impressive safety record through a suite of recently announced measures in the areas of prevention, preparedness and response, and liability and compensation.

Prevention

The National Energy Board (NEB) is the federal regulator responsible for overseeing the more than 73,000 kilometres of pipelines that fall under federal jurisdiction.

The NEB's regulatory oversight supports the Government of Canada's objective of zero incidents by aiming to prevent incidents from ever occurring. In this regard, the NEB received funding to increase the number of pipeline inspections and comprehensive audits it conducts each year to identify issues before they arise.

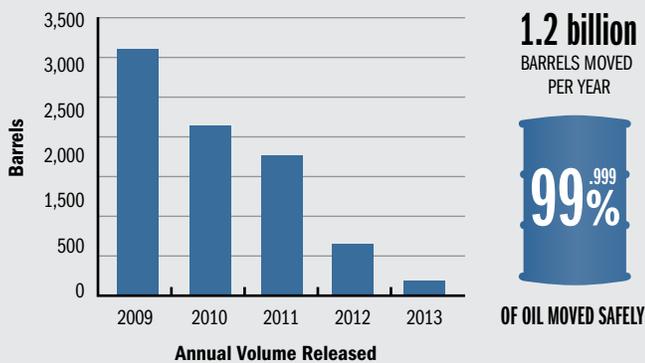
Companies operating pipelines are required to anticipate, prevent, manage and mitigate potentially dangerous conditions associated with their pipelines. They must design safety, security, emergency, integrity management and environmental protection programs, which are reviewed and audited by the NEB.

As part of the Government's recently announced pipeline safety measures, the NEB will provide guidance on the best available technology, including materials, construction methods and emergency response techniques. Pipeline safety documents will be made more available to the public to ensure the process is transparent and publicly accountable.

The polluter pays principle will be enshrined in Canadian law to ensure polluters are held financially responsible for any costs and damages they cause. Companies operating pipelines will be responsible for them from their construction until and including when they are abandoned, including any related costs.

To protect against unintentional damage to pipelines, the NEB will harmonize safety zones around them with the provinces.

Total Volume of Oil Released Annually From Federally Regulated Pipelines



Source: National Energy Board

These safety zones are areas where any digging or building is prohibited without first contacting the company operating the pipeline. This safeguard will help prevent damage to pipelines from occurring.

Preparedness and response

In the unlikely event that an incident does occur, federal and provincial regulators must be notified immediately by law, and the NEB will exercise its authority to protect the public, workers, property and the environment. The NEB can issue orders to companies with respect to response, cleanup and remediation. Companies can be fined or prosecuted for violations of the *National Energy Board Act*, with fines ranging from \$100,000 to \$1 million and penalties including imprisonment from one to five years.

The NEB can also issue Administrative Monetary Penalties ranging from \$25,000 for individuals to \$100,000 for companies per infraction, per day.

Under the new safety measures, all companies operating a pipeline will be required to hold a minimum level of financial resources to ensure they can respond quickly in the unlikely event of an incident. For companies operating major oil pipelines, this level will be set at \$1 billion. If the operator is unwilling or unable to shoulder its responsibilities, the Government of Canada will provide the NEB with the resources to take control of spill response, cleanup and remediation, and the NEB will be authorized to recover any costs incurred from the industry.

Liability and compensation

Companies operating pipelines are liable on an unlimited basis if they are found to be at fault or negligent. New liability and compensation measures announced by the Minister of Natural Resources will also see absolute or no fault liability of up to \$1 billion implemented for major crude oil companies operating federally regulated pipelines. The NEB will also be able to order companies to reimburse individuals and governments for costs incurred in relation to an incident.

If the cost of an incident exceeds the limit of absolute or no fault liability of a company operating a pipeline, the company is still accountable for cleanup and remediation based on NEB-approved emergency response plans.

Enhancing Aboriginal engagement in pipeline safety

Aboriginal participation is a key part of Canada's new world-class pipeline safety system. The Government of Canada will also be developing a strategy for integrating Aboriginal communities in pipeline safety operations, such as emergency response planning, pipeline monitoring and related employment and business opportunities.

A truly world-class system

The Government of Canada is committed to protecting both the safety of Canadians and the environment. No pipeline project will proceed unless rigorous environmental and regulatory reviews have indicated it to be safe for Canadians and the environment. These goals are part of the Government's plan for *Responsible Resource Development*, which aims to create high-quality jobs, economic growth and long-term prosperity for all Canadians.

By emphasizing prevention, responding quickly in the event of an incident and making sure the companies – not Canadians – are liable for any costs, these measures create a truly world-class safety system.

Aussi disponible en français sous le titre : La sécurité des pipelines : Le système de sécurité de classe mondiale du Canada

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