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Vol: X - Issue: VI - June 2017

#### **ENVIROFOR NEWS:**

#### **Latest Annotations**

New annotations have recently been added to the EnviroFor site. These annotations include contributions from:

• Mark Oulton, Hunter Litigation Chambers - Forest Act

Watch this 20-minute <u>YouTube video</u> to learn more about annotations and how to receive alerts when new annotations are published to the laws that matter most to you.

Tip: Log in to EnviroFor Online prior to clicking Reporter links.

View **PDF** of this Reporter.

**FEDERAL LEGISLATION** — For notification of federal amendments, we recommend you use our <u>Section Tracking</u> tool.

[ Previous Reporters ]

### **ENERGY AND MINES NEWS**

# Bad News for Oil is Proving to be Good News for Gold in a Most Unexpected Way

Gold climbed as oil's slide into a bear market may potentially retard the pace at which the U.S. Federal Reserve raises interest rates amid tumbling expectations for inflation, with the precious metal back on course for a second straight quarterly advance.

Crude's drop "is going to push down inflation expectations," Bob Takai, chief executive officer of Sumitomo Corp. Global Research Co., said by phone. "This means the Fed is going to take time to normalize the financial policy. This is good news for the gold market. That's why gold is edging up."

While gold traditionally benefits from a pickup in inflation with the metal seen as a hedge, crude's slump may help by potentially restraining the pace at which the Fed tightens policy further. The central bank increased borrowing costs for a third time in six months last week, pushing gold to a five-week low. Although the Fed has maintained its outlook for one more hike in 2017, some investors aren't so sure given the growing concern over inflation. Read the *Financial Post* article.

### Changes to Drilling and Production Regulation, More Fees

A reminder that the <u>Drilling and Production Regulation</u> was amended June 1 to allow for greater nuance when dealing with the subjects of both groundwater and injections. For instance, groundwater wells have been made exempt from a new section on well control equipment and blowout testing. They may also be exempted from plugging requirements. On the other hand, injection is now controlled in the case of induced seismicity, and injection products must also be measured. Both are covered specifically in the Reservoir Pressure Measurements section. As for restrictions, permit holders are now responsible for ensuring there is no excessive light from their facilities, in addition to old rules regarding noise limits; and signs must now containing emergency notification information, including a telephone number. Regarding analysis, oil production analysis requirements are now

retroactive and must consist of physical property analysis, as well as the routine chemical analysis that is normally performed. Also, costs were added under the <u>Fee, Levy and Security Regulation</u>. A person who submits for a construction or operating permit for a manufacturing plant must pay a fee of \$132 per hour. Similarly, a fee of \$132 per hour is required for any application to amend that permit.

## Three-year Deadline to Lay Charges for Mt. Polley Dam Failure Approaching Fast

A deadline looms for provincial charges to be laid in the failure of the tailings dam at Imperial Metals' Mount Polley mine, but the B.C. Conservation Officer Service says the investigation has not finished.

There is a three-year time limit to lay charges under B.C.'s <u>Environmental Management Act</u>. The deadline is less than two months away, on Aug. 4. The conservation service has been leading a joint investigation with the federal Environment and Fisheries departments.

Chris Doyle, deputy chief of the B.C. Conservation Officer Service, said last week that when the investigation is complete, the findings will be forwarded to Crown counsel for review and to determine what charges will be laid, if any.

Doyle said he could not comment on whether the investigation would be complete before the three-year deadline. Read *The Vancouver Sun* article.

#### **ENERGY AND MINES**

Act or Regulation Affected	Effective Date	Amendment Information
Drilling and Production Regulation (282/2010)	June 1/17	by <u>Reg 146/2017</u>
Fee, Levy and Security Regulation (8/2014)	June 1/17	by Reg 147/2017

#### **FORESTRY AND ENVIRONMENT NEWS**

### Softwood Lumber Trade Dispute – Recent Developments

On June 26, 2017 the U.S. Department of Commerce issued its preliminary anti-dumping (AD) duty rate.

**AD Rates:** Canfor 7.72%; Tolko 7.53%; West Fraser 6.76%; Resolute 4.59%; all other companies 6.87%. Duties are in effect once the preliminary AD determination is published, expected June 30, 2017. AD duties are in addition to countervailing duties (CVD) issued on April 24, 2017. Companies will be subject to the preliminary AD duty for a maximum of four months until the final order is issued in October 2017, according to the current timeline. However, if the Department of Commerce extends the final order to January 2018, the AD duties will remain in place for up to six months.

**CVD Rates Issued on April 24:** Canfor 20.26%; Tolko 19.50%; West Fraser 24.12%; Resolute 12.82%; Irving 3.02%; all other companies 19.88%. Duties are in effect starting April 28, 2017 until August 27, 2017.

**Critical Circumstances:** The Department of Commerce made a preliminary finding of critical circumstances for Irving and the "all others" group of companies, but not for Canfor, Resolute, Tolko and West Fraser. As a result, Irving and the "all others" companies will be subject to retroactive CVD duties on import entries made as of January 28, 2017 and retroactive AD duties on entries since about April 1, 2017 (90 days prior to the publication of the AD preliminary determination, which is expected June 30, 2017). The preliminary finding of critical circumstances may or may not be upheld when the Department of Commerce and the International Trade Commission make their respective final determinations on duties and injury.

Read the full government <u>news release</u>.

### Administrative Penalties and "Employers" under the Workers Compensation Act

A recent decision of our Court of Appeal in *West Fraser Mills Ltd. v. British Columbia (Workers Compensation Appeal Tribunal)* illustrates a curious aspect of the administrative enforcement regime in the *Workers Compensation Act* (the Act). It also demonstrates the extent that Courts will defer to administrative tribunals such as the Workers Compensation Appeal Tribunal (WCAT) in the interpretation and application of their "home" legislation. This case arose from the circumstances surrounding the tragic death of a faller who was working in the BC Interior. In its decision, WCAT upheld an administrative penalty that the Workers' Compensation Board (now operating as "WorksafeBC") imposed upon a licensee in its capacity as an "employer" under the Act. The curiosity is that the penalty was imposed on account of a finding of contravention of the Act's <u>Occupational Health and Safety Regulation</u> (the "Regulation") made against the licensee i its capacity as an "owner" under the Act. Under the Act, WorkSafeBC has the authority to enforce compliance with the Act and the Regulation "administratively" through the imposition of "administrative penalties" under <u>Section 196(1)</u> of the Act. Read the <u>full article</u> by <u>Jeff Waatainen</u> of DLA Piper LLP, published in the latest edition of the *BC Professional Forest Magazine*.

# Federal Government Passes New Environmental Legislation

Readers of the BLG Environmental News will recall when the Federal government introduced the *Environmental Enforcement Act* in 2009. As reported in the BLG Environmental News in 2009, the *Environmental Enforcement Act* introduced stringent new fines and sentencing provisions to various federal environmental legislation, and introduced Administrative Monetary Penalties. The implementation of the *Environmental Enforcement Act* has taken place in stages, and most of the sentencing provisions were brought into force in 2012. This month, the federal government passed a number of environmental regulations and orders as part of the third and final stage of implementing the *Environmental Enforcement Act*. In particular, new fine levels and Administrative Monetary Penalties are now in force.

<u>Order Fixing July 12, 2017 as the day on which Certain Provisions of the Act Come into Force</u> brings into force a number of sections of the <u>Environmental Enforcement Act</u>, which will introduce new fine regimes and sentencing provisions to the <u>Canada Wildlife Act</u>, the <u>Migratory Birds Convention Act, 1994</u>, and the <u>Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act</u>.

The new fine regimes will provide fine ranges applicable to different categories of offenders, such as individuals, corporations, small-revenue corporations, other persons, and vessels. Minimum fines are being introduced, and existing maximum fines are being increased for offences that cause direct harm or the risk of direct harm to the environment or for providing authorities with false or misleading information. The new fine regimes also establish double fines for repeat offences. Read the <u>full article</u> by <u>Luke Dineley</u> and <u>Auke Visser</u> of Borden Ladner Gervais LLP.

### **Updated Combustible Dust Training Resources Available Online**

Combustible Dust has been a standard component of employee training for the Manufacturing Advisory Group (MAG), ensuring that anyone working in or around potential areas with combustible wood dust is able to recognize potentially unsafe conditions, take appropriate actions, and develop and implement effective controls. The Fire Inspection and Prevention Initiative (FIPI) in partnership with MAG developed training materials for use both on- and offline, including the monitoring of wood dust levels. WorkSafeBC's Board of Directors committed to funding FIPI to the end of 2016. At that time, the responsibility for management of workplace combustible wood dust education was assumed by the BC Forest Safety Council (BCFSC) in cooperation with MAG. FIPI developed an online training program with modules for employers, workers, and contractors which was updated by the Manufacturing Safety Alliance of BC and further enhanced by the BCFSC for forestry. This free training is now available on the BCFSC website and is relevant to all participants in the wood manufacturing sector. Read the full BC Forest Safety news article.

### **Environmental Appeal Board Decisions**

The following Environmental Appeal Board decisions were released in the month of June:

### Environmental Management Act

- <u>Revolution Organics, Limited Partnership v. Director, Environmental Management Act</u> [Stay Application Denied]
- <u>Isabel and Marc Brenzinger v. District Director, Environmental Management Act</u> [Stay Decision Denied]
- <u>West Coast Reduction Ltd. v. District Director, R.H. Robb</u> [Consent Order Appeals Dismissed]

• <u>George E. Curtis and Kevin F. Curtis v. Delegate of the Director, Environmental Management Act</u> [Final Decision – Appeal Allowed]

### Wildlife Act

• <u>Fraser MacDonald vs. Regional Manager, Recreational Fisheries and Wildlife Program, Omineca Region</u> [Final Decision – Appeal Dismissed]

Visit the Environmental Appeal Board website for more information.

#### **FORESTRY AND ENVIRONMENT**

**Act or Regulation Affected** 

Effective Date

**Amendment Information** 

There were no amendments this month.

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