

CBC Interview Audio Transcript

Duration: 32:12

Transcribed: 10/29/2015

Speakers: 2

-D'ary Levesque, Enbridge Inc.

-Kyle Bakx, CBC

KYLE: So maybe, so I'm recording now, so could I just get you first of all to say your name and what your title is with Enbridge?

D'ARCY: Sure, good morning Kyle my name is D'arcy Levesque and I serve as Vice President of Enterprise communications and corporate social responsibility.

KYLE: So what was your role, or I guess involvement with the Enbridge Centre at the University of Calgary?

D'ARCY: Well first of all as someone who has accountability for corporate social responsibility and community investment, I helped manage the investment with the University and the partnership agreement with the University of Calgary.

KYLE: So I'm curious of what Enbridge is looking to get out of this project or this partnership.

D'ARCY: Well I think when you, I'll try and put that into context for you. You know every year we invest over fifteen million dollars across North America and over three hundred worthy charities. We do that because we think it's important to invest in the communities where we live and work and we invest in everything from health care and social services, arts and culture and higher learning. In this case our investments in the University of Calgary have been over many years. In addition to the Centre for Corporate Sustainability we also invest in the Faculty of Law, the Faculty of Medicine and the Public Policy School. So when we make those investments, in this case its investments in higher learning and investments in research. Research that we hope—world class research because the University of Calgary has a international reputation for world class research—research that we hope will be used to advance and address some of the complex issues facing society.

KYLE: So specifically about the Enbridge Centre though, what was your goal for that? Was it to partner, to have a centre that specifically looked at that area, just curious ...?

D'ARCY: Sure, I welcome that opportunity. The idea behind the Centre for Corporate Sustainability was really to help the next generation of business leaders understand the fundamentals associated with corporate social responsibility. So for example, we know that as business leaders when we make a decision we need to understand the implications of that decision, relative to the social, the economic and the environmental implications. So the focus of the centre is really to help the business leaders of tomorrow fully understand that when they

make decisions, they need to understand the impact that it could possibly have—not only with respect to economic issues but also with respect to the social and the environmental issues that could affect society.

KYLE: So based on those objectives then, when Enbridge had its name on that centre, was it a success? Did it achieve those goals, those objectives?

D'ARCY: Well we're very proud to be associated with the University of Calgary and all our investments at the University of Calgary and we were very excited when the University came to us and said we have an opportunity here to create something really special. Something that we thought could really fulfill a gap in the community as I said in terms of helping young people—business leaders of tomorrow—help achieve their full potential. We entered into a partnership agreement, and we identified how we could support the centre and its goal of really being a centre for higher learning and providing young people with, to equip young people with what they needed to be better corporate leaders.

KYLE: So the company was pleased with how the project all went?

D'ARCY: Well, you know like any new undertaking it was a very ambitious undertaking on the part of the University. Any undertaking like that is not surprising, some of the academics associated with the centre would be among the first, I think, to agree, there were some challenges and some growing pains. But overtime once they had established a solid governance model and achieved some continuity in terms of leadership, the centre has progressed and I'm very proud of some of the achievements.

KYLE: What are... I'm curious because it wasn't necessarily a new centre because they already had IRIS which has been going for...

D'ARCY: ISEEE I think it was called, ISEEE?

KYLE: I think there was IRIS as part of ISEEE, I think IRIS what, in many ways morphed into this Enbridge Centre. So it wasn't really new, it had been going for a while but it just seemed that it kind of changed directions almost when...

D'ARCY: I don't know if it really changed direction. I know when we sat down with the University, as I said they approached us. I was very familiar with ISEEE which was, I thought a outstanding centre for research. One of things that we wanted to do was ensure that we were not duplicating the kind of work that was currently going on at ISEEE. ISEEE was funded by a number of our peer companies including companies of our customers like Suncor for example. So, the University assured us that the Centre for Corporate Sustainability would really focus on the so called triple-bottom-line. In fact when I first met with Joe Arvai, who became I think the third director in the history of the centre, we had lunch one day and he talked about his vision which was really to use the triple-bottom-line as the basis for the kind of learning and instruction that would take place at the centre. We were very excited because that's how we as a company, that's how our performance is measured and that's how the industry's performance is measured. And we thought that would be a wonderful way of helping to ensure that students going through the centre could come out of the centre and gain that kind of understanding and

insight that would make them more capable, responsible, business leaders. So it filled, we thought it filled a gap, it was designed to, you're right, it was really an extension of the Haskayne School, but that focus on corporate social responsibility really wasn't being addressed in other parts of the University.

KYLE: When you enter into these types of agreements whether it's at the University or with a non-profit or you know the arts sector, either way, I'm curious on how the agreements come together. You know, Enbridge approaches an organization; are there negotiations on what the funding will be and what will come in return? I'm curious how that comes together.

D'ARCY: Sure, no I mean that's a good question and that's a really important part of building a relationship. Particularity if you want to ensure that relationship is solid and truly understands that concept of shared value. So in this case as I said that we were approached by the University, they felt there was a need and an opportunity to establish a centre for the reasons I've outlined. So they sit down and they talk about the principals and the mission they would like to see incorporated into the centre. They identify the kind of funding that they think could help them basically kick start the centre. Their goal really was to use our funding, several million dollars to sort of serve as a bit of a foundation and to use that then and to go out and raise additional funding. Obviously the Universities are publicly funded, but at the same time very often to support some of the advanced research that takes place, they need to find other sources of funding. So we sat down and we agreed that there was a need and an opportunity for this kind of learning, and we talked about what that could look like, we identified the funding model, in this case it was several million dollars, which we know at the end of the day is not going to be enough to sustain it overtime, but was enough to sort of give the University the sort of seed money that they needed to get this project moving. And then within the agreement, a copy of which I think the University provided to you, you outlined the terms and conditions, which are very clearly defined in terms of what are the expectations the University has us, and what are our expectations of the University in return. It's very important, those agreements are reviewed by you know, legal folks, but at the end of the day it's really to ensure that there's a clear understanding of the expectations on both sides of the table. We entered into that agreement, and as a result that cemented our relationship to go forward and advance the centre.

KYLE: So why is the Enbridge name no longer on that centre right now?

D'ARCY: Well, I think you know, as I said it was an ambitious undertaking, there were some growing pains, and I think over time some things evolve. As I said, I think some the faculty and staff would be the first to say that there were some growing pains. When we sat down with the University, a few years ago to revisit where we were at, we identified and they identified that in terms of achieving their ultimate funding goals, their development goals, that they thought that there might be merit in seeing the centre as really an extension of the Haskayne School which obviously has a very credible reputation as a leading business school in our country. So it's really now the Haskayne School's centre for Corporate Sustainability. We're continuing to support the centre and we're very proud of that. For example, the Enbridge research and action series brings together distinguished speakers and scholars who get together and they speak

about ideas about how we can manage the complex issues facing society. We continue to provide on a yearly basis student awards that provide opportunities for deserving students to further their education and hopefully achieve their potential in life. So we're still really committed to the centre, but we believe that they have arrived at a model now that is a little more sustainable in the long term and we're very proud of the success they've enjoyed.

KYLE: Because what I don't understand is that the funding it's got cut by about a million dollars. I don't understand why the University would, why it would be a mutual decision to cut back on funding and how it would be sustainable.

D'ARCY: Yeah, and as I mentioned earlier, so our funding for the University supports a number of faculties, and in this case as they basically looked at retooling the model and the governance model, we also identified there was an opportunity with the school of public policy. They have a very innovative program associated with their energy for life program which is really, we thought, was very much aligned with our industry, and that is it's about helping to enhance people's literacy with respect to energy, and to understand the important role that energy plays in people's lives. So, we agreed with the University that we would continue to provide funding to the centre at the same time we also agreed that we would transition some of our funding to support the school of public policy.

KYLE: What is the funding amount in terms for the school of public policy?

D'ARCY: The School of Public Policy I think it's approximately a million dollars over a number of years while it will be used as I said to encourage literacy with respect to the role that energy plays. Obviously there's an international debate about energy and the environment going on in the world today. We want to be a part of that discussion. We think that the school of public policy provides a great opportunity to educate people when it comes to energy literacy and just help people really understand the fundamental importance of energy in our everyday lives.

KYLE: When you're talking about growing pains of the centre and the academics were the ones to be the first to admit that, it seems like, from what we've been seeing is that the academics, their main problem is that Enbridge had way too much control over the centre, way too much influence. Not only the staffing, the advisory board, the mandates, the name and many different facets, I'm assuming you know about these concerns.

D'ARCY: Well you know I have reviewed some of the opinions that were shared by members of the faculty in the information we've all reviewed, and quite frankly I find it very disappointing and somewhat surprising because all the conversations that we had with the former director and former dean were very cordial and very professional. And you know, at no time did we ever have discussions about research, the nature of the research, how the research findings were managed, we've always known from day one that the credibility that's associated with solid research, sound research, has to be based on academic freedom, with no strings attached. Managing the research and managing the operations of the centre are crucially the responsibility of the University; we've understood that from day one. So I was somewhat puzzled and as I said, somewhat disappointed when I saw some of the opinions. But opinions don't necessarily result in fact and what I do know is that at no time did we at Enbridge interfere in the operations

of the centre, and at no time did we try to unduly influence the academic freedom. We've always respected the fact that the University has a good reputation when it comes to research. In fact, quite frankly we as a company would not want to be associated with a University that didn't honor those values.

KYLE: So you don't think that Enbridge had any influence on the staffing, on the advisory board, on these types of things?

D'ARCY: Well I can hit those one at a time. So in terms of staffing as I said at no time were we asked or did we offer advice on staffing or operational matters. The dean did call once with respect to the advisory board, we had one seat on advisory board in keeping with our agreement. The dean did call and he asked if we had any suggestions for individuals that could sit on the advisory board. We thought we could share some constructive ideas which included, we thought, the importance of having somebody from the Aboriginal community sit on the advisory board. The reality is that some of the issues that we in industry grapple with today it's very important to ensure that there is Aboriginal representation given the need to build meaningful relationships with first nations and metis communities. So we did offer that advice and at the end of the day I'm not sure what the final composition of the advisory board looked like. That ultimately those decisions were left to the dean and to the director at the time. But we did offer what we thought were constructive ideas of individuals who could add value and who's insights could enhance the credibility of the centre over time.

KYLE: 'Cause even just on that point like I remember there was an e-mail from yourself to Leonard Waverman, talking about how you know, with Mr. Arvai that you wanted assurances or there would be no unexpected or no unknown affiliations that would be coming up with Joe, Mr. Arvai. You also talked about how you weren't; you were taking issue with the optics associated with his spouse being hired. And I think they also raised concerns to about Mr. Arvai being on the advisory board after he left the director's position.

D'ARCY: Uh, yeah I never had any issues; I always assumed Joe would be on the advisory board that's where he should have been. With respect to the other two questions...

KYLE: But, but sorry you did say in an e-mail we have reservations about the external council. I understand that we would be a part of the academic—here I'll read the whole thing sorry. "My team advised me that Joe will now be sitting on the external advisory council. I understand that he will part of the academic steering committee, but we have reservations about the external council."

D'ARCY: Well I think part of it was Joe at the time felt conflicted, at least that's what he shared with the dean. He said that he was conflicted at the time; I understand that he was interested in securing a position on the EPA advisory board, which was a rather prestigious I gather advisory board and quite frankly he was concerned with perhaps his association with the centre might hurt his ability to secure a position on that American advisory council for the EPA. So our concern was we just wanted assurances given the fact that the school or the centre had gone through a number of directors over a relatively short period of time, and in the interest of continuity and establishing a solid footing for the centre, we wanted some assurances that if Joe

did feel conflicted and wasn't able to carry out his responsibilities and his commitments to the centre as the director, that we would have some assurances that in fact that would be addressed by the dean.

KYLE: But when you say no strings attached though, this seems that Enbridge is pretty involved in the centre.

D'ARCY: You know, I don't think it's unreasonable when you have the director of the centre saying I'm not sure I can fulfill my role as a director at the centre because I could be conflicted with other potential affiliations that I'm interested in. I don't think it's unreasonable, and at the end of the day we were working very closely with the University in a partnership. We wanted this centre to succeed, and we just wanted some assurances that if Joe was going to focus, that he would be focused on the centre and that there wouldn't be other distractions or other affiliations that would potentially prevent him from doing the kind of job that we all agreed needed to be done if we were going to advance the centre as a leading institution of higher learning when it came to corporate social responsibility. So I don't think that's unreasonable. At the end of the day, it was ultimately up to the dean to make those decisions and as I said, we were simply looking for clarification.

KYLE: Did Enbridge suggest to the University of Calgary to remove Mr. Arvai as director?

D'ARCY: Not at all. As I said my discussions with Joe Arvai were always very positive, very cordial, and as I said when he first came to Calgary we sat down over lunch and he talked about his vision I said that is very much in set with our philosophy as a company and how we can sort of equip the next generation of business leaders with what they require to make responsible business decisions.

KYLE: And if wasn't Enbridge, wasn't through a national public relations, it wasn't through a different channel that that was suggested on the part of Enbridge?

D'ARCY: Not at all at no time did we or did we offer or were we asked about staffing decisions. When we heard that Joe, first time we heard Joe was coming to the centre as the new director, the dean called and advised us that he had found this bright scholar from Michigan who was going to be the next director of the centre, we were very excited about that. Then at a certain point, when I guess Joe decided to pursue his academic career elsewhere, the dean had called again and said Joe was no longer going to be with the centre. I was told that at the time that he wanted to pursue other avenues and that's what we were told. But at no time did anybody call us to say to involve us in any discussions in any way shape or form with respect to his position or for that matter the position that his wife held as the associate director.

KYLE: I know early in the discussions to create the centre, Enbridge insisted on that the University of Calgary partner with CMU in Michigan. So, academics didn't see any value in that partnership and it was described as a deal breaker that if the University didn't sign this partnership then this partnership with Enbridge wasn't going to happen.

D'ARCY: Well let me put that into context for you Kyle. So, before Joe, there was a couple of directors before Joe assumed his position and so in the early days of sitting down with the

University and when we first established the principals of our agreement, you'll recall back in 2010 in Michigan, Illinois Enbridge had a significant incident, something that really shook our company to the core. It was a very humbling moment for our organization, and as a result of that we set out so say how could we learn from this incident and how could we improve as a company as a result of what happened. The University that was closest to the incident was Central Michigan University. They came to us, and they had a very credible department of responsible for the environment and sustainability and they said we would like the opportunity of using what happened in Kalamazoo as a case study. This would be an opportunity to learn how these things can be prevented going forward, what could we do to perhaps restore the ecosystem faster, those kinds of things, and we said as a company that's really committed to learning from what happened, we said I think that's a great idea, we would be happy to support that. This wasn't about, this wasn't a public relations exercise, this was the opportunity to really learn from this experience and through Central Michigan University, further those studies. And so we talked to the University of Calgary, we said could we have an extension partnership with the University of Michigan so the learnings from what happened in Michigan could be incorporated into a case study that students at the centre could use as the basis for a case study. So this wasn't about sweeping under the carpet, this was about saying hey, this was a terrible incident, it impacted many people's lives in the communities in Battle Creek and Kalamazoo, if there's something that we can learn from this that will make us a better company or improve industry's ability to respond to these kind of incidents, or how could we learn from this to improve the ecosystem, we said that's a great idea. The University and the dean at the time thought that was also a good idea and that was incorporated into our partnership agreement. Now I know that Joe Arvai who came from Michigan State, he felt perhaps that this maybe didn't fit into his plans, but the reality was it was already apart to the agreement, and we felt there was some very beneficial learnings that could come from that. You know I'm sorry if Joe didn't agree with that, but it was already a part of the agreement that he inherited when he took the job as the director.

KYLE: And so why didn't you just sponsor CMU instead of put money through the University of Calgary and making them do this partnership?

D'ARCY: Well, hey we weren't talking about a great deal of money; it was really more about establishing a line of communication and a sharing of knowledge and information between Central Michigan University and the centre here in Calgary, that's really what it was about. It was a way to bring like-minded scholars together to say, here's a great example, Enbridge had a significant incident in 2010, this in an opportunity for us to learn from this and how going forward we can prevent, and hopefully if it does happen at least to ensure that we're better prepared to respond going forward. So, great opportunity for learning and a great opportunity to bring together scholars and thinkers from both Illinois and Alberta into looking at it in one case study.

KYLE: But there were representatives from the University of Calgary and not just Mr. Arvai who admitted that this was a PR exercise and even the fact that your company wanted to announce it exactly a year after the spill to maximize the public relations.

D'ARCY: Well you know first of all I don't agree with your characterization at all. As I've already indicated, what happened in 2010 shook us to the core. This is something that we never want to see repeated ever again. It was a very humbling experience for all of us, and working with Central Michigan University to try to understand how we could learn from this incident we felt there was extreme value. This is something that students take a real life situation, we wanted to, you know to me that's not a public relations exercise, that's an opportunity to take real life experiences, put them on the table and allow students to learn from that. What do we learn from that experience? As a company we're a better company today because it really forced us to take a hard look at how we manage safety and integrity issues as an organization, the need for even greater priority and dedication in certain areas of the company in terms of training, education, it's a great learning experience and I'm not going to apologize for the fact that both the dean here in Calgary and the dean at Central Michigan University thought that this was a good idea. If they didn't it was a good idea they didn't have to do it. We weren't forcing anyone to do that, we put it on the table because Central Michigan University thought that it was something that was a really unique way to look at what had happened to us and learn from it. The two deans looked at it and they were both in agreement as well. So I'm sorry if Mr. Arvai perhaps didn't agree with that, but you know that was part of the agreement when he took the job. I still think that it's actually a great idea and something that we can all benefit from.

KYLE: But if you believe in no strings attached and you believe in academic freedom, aren't you also even just pushing that this new centre should be looking at this, or shouldn't it be up to the academics?

D'ARCY: Well we left it up to the academics when we sat down and formed the original agreement Kyle. So we said, we think there's an opportunity here to enhance learning with a real life situation that students could use as a case study. We didn't say you have to do this, but we think that it's an opportunity to learn from this. The dean of both Central Michigan University and Dean (Leonard) Waverman from the Haskayne School agreed that this was something that we should incorporate into the centre. We weren't forcing anybody to do anything, the idea was put on the table and the deans agreed that they thought it was actually going to be a very valid and pragmatic approach to higher learning.

KYLE: 'Cause when you look at various documents and the communications, it looks like both deans were more concerned not about academia and research it was more about just getting the money and making sure that this deal went through because school's needed the money.

D'ARCY: Well you know that is certainly not my interpretation and I don't agree with your characterization, I think that's absolutely false. What I think it was was there was an honest desire on the part of both Universities to see how we could use a real life situation, an incident that had had a huge impact on us and the communities that we impacted and learn from that. So I thought it was a great idea as well. Nobody was forced to do anything, they both agreed and there's nothing that would suggest that they were against this. Whether Joe Arvai came along later and whether or not he agreed with it or not I guess that's another question. But we were quite confident that this was something that could play a very helpful role in the learnings at the centre. If I was a student going into the centre I would think that learning from a real life



situation which had an impact on thousands of people, and how a company responded and more importantly how a company can learn from this and improve their performance going forward would be an invaluable learning opportunity.

KYLE: With Mr. Arvai, when was Enbridge aware that he had said various negative comments or commentary about the proposed Gateway project?

D'ARCY: You know I don't, you know to be quite honest with you, Gateway is a project that has garnered considerable public attention and I would suggest that public opinion is pretty divided on the project itself that's not surprising, and again it's probably not surprising that individuals in academia, some of them may not agree with the project just like there are people that do agree with the project. The fact that Mr. Arvai may not have supported the project quite frankly is irrelevant. What was important to us was that the focus of the school and the centre provides students with an opportunity to understand the fundamentals of corporate social responsibility, so the fact that Mr. Arvai may or may not have supported the Northern Gateway project was quite frankly irrelevant.

KYLE: When you look back on the Enbridge Centre, would you still have done that agreement again with the University of Calgary?

D'ARCY: We would always look at reinvesting in higher learning if we felt the research coming from those investments was going to ultimately benefit society. In this case we believe that our investments in the University do, as I said our investments in the Faculty of Medicine, in the cancer chair and the dollars that are raised in the ride to conquer provide opportunities to solve one of the biggest health challenges facing society today. So those are all investments that we believe have a really positive return on our society, on our community and ultimately, we know that our employees are very supportive of those kinds of investments, because who hasn't been touched, or whose family hasn't been touched by something like cancer.

KYLE: Okay is there anything else you want to talk about that I haven't asked you about?

D'ARCY: No, I just think that it's very important to understand that we respect academic freedom and that ultimately our association with the University of Calgary is based on the fact that they have an outstanding international reputation and we support that and we're very proud to be associated with the University on an ongoing basis.

KYLE: Okay sounds good. I think that was about time.

D'ARCY: Good thank you.