

# Bill C-5: Canada's Approach To Accelerating Major Projects



On June 6, 2025 the federal government tabled Bill C-5, the *One Canadian Economy Act*, carrying out Prime Minister Carney's election commitment to provide "one-window" regulatory decisions through a newly established Federal Major Projects Office. Part 2 of this Act would enact the *Building Canada Act* (BCA), which aims to "urgently advance" national interest projects (i.e., projects considered critical for driving Canadian productivity growth, energy security and economic competitiveness). The BCA's objective is to enhance regulatory certainty and investor confidence by reducing federal decision timelines on national interest projects to two years, from five years. Bill C-5, amended in accordance with changes proposed by the Standing Committee on Transport, Infrastructure and Communities, received Royal Assent on June 26, 2025.

## Key Proposals in Bill C-5

### Designation of "National Interest Projects"

Only major projects deemed to be in the national interest and added to the BCA's schedule by way of an order of the Governor in Council would benefit from the new streamlined federal regulatory process. Factors relevant in designating national interest projects would include the extent to which the

project can

- strengthen Canada's autonomy, resilience and security;
- provide economic or other benefits to Canada;
- have a high likelihood of successful execution;
- contribute to clean growth and meeting Canada's climate change objectives; and
- advance the interests of Indigenous peoples.

One of the Standing Committee's amendments requires the Governor in Council to consult with the province or territory in which a project is to be carried out, prior to the issuance of a designating order, and to obtain the written consent of such province or territory in the event that the project falls within areas of exclusive provincial or territorial jurisdiction.

The BCA's preamble commits the federal government to respect Indigenous rights, including those set out in the *United Nations Declaration on the Rights of Indigenous Peoples*. The federal government has also stated that projects would only be designated following *full consultation* with affected Indigenous peoples.

### **Deeming: Favourable Determinations**

Once designated as a national interest project, a project is conditionally approved to proceed through the existing federal permitting processes with a focus on *how* the project would be built, as opposed to *whether* it could be <sup>1</sup>. The new Federal Major Projects Office (with an Indigenous Advisory Council) would coordinate and expedite these reviews.

### **Consultations on Conditions**

Once a project has been designated as being in the national interest, the responsible minister under the BCA must issue a document listing the conditions that must be met to satisfy the listed authorizations required for the project under all

applicable federal legislation. Prior to issuing a conditions document, the responsible minister is required to consult with applicable federal ministers and federal regulators/commissions (e.g., the Canada Energy Regulator and the Canadian Nuclear Safety Commission), as well as with Indigenous peoples.

The Standing Committee amendments to the BCA: (i) require the publication of a report, detailing the Indigenous consultations undertaken in connection with the development of a conditions document; and (ii) mandate a national security review for all state-owned or foreign investments from “hostile countries” in any national interest project.

### **Conditions Document: Deemed Authorizations**

Once a conditions document is issued for a national interest project, it represents all of the required federal authorizations for the project. The conditions document, which must be made available to the public, cannot be amended without an additional round of consultations with the relevant ministers, federal regulators/commissions and Indigenous groups.

### ***Impact Assessment Act***

In Canada, the federal and/or provincial impact assessment phase – not the regulatory/permitting phase – is generally considered to be the key gating issue for the development of major projects. For this reason, the federal *Impact Assessment Act* (IAA) came under significant scrutiny during the recent federal election. For a national interest project that is also a designated project under the IAA the BCA would (i) deem that an impact assessment of the national interest project is required, and (ii) exempt such project from the IAA’s early planning phase. The BCA’s broad regulation-making powers could potentially be used to bypass additional aspects of the IAA to further streamline the impact assessment process for national

interest projects, or the federal government may still intend to pursue its “one project, one review” commitment by negotiating cooperation and substitution agreements under the IAA with the provinces, territories and Indigenous governments.

## **Conclusion**

### **One-window regulatory decisions may not be streamlined**

From a practical perspective, unless a proponent had already completed baseline environmental studies and secured Indigenous support for a proposed national interest project *prior* to the BCA’s designation stage, the two-year timeline may prove challenging for a project’s permitting phase.

The federal government’s recent commitment to double the federal Indigenous Loan Guarantee Program to C\$10 billion may help to derisk the proposed streamlined regulatory process by offering more opportunities for Indigenous communities to participate as equity partners on national interest projects. However, Indigenous communities have voiced concerns about the speed at which the BCA and similar legislation in Ontario and British Columbia have been advanced.

### **Goal of one project, one review**

The goal of one project, one review has been difficult to achieve in Canada. Federal and provincial assessments have largely occurred in parallel, with varying levels of cooperation, resulting in slow and cumbersome processes for major projects. If the federal government still intends to move forward with negotiating substitution agreements under the IAA, new federal guidance is likely required to accelerate the substitution approval process to permit a province to conduct the impact assessment of a national interest project on behalf of Canada (including gathering the requisite

information to inform the federal decision on the national interest project under the IAA).

## **Footnote**

1. The relevant federal authorizations are those issued under the legislation listed in the BCA's schedule, such as the federal *Fisheries Act*, the *Migratory Birds Convention Act, 1994*, the *Canada Transportation Act*, the *Canadian Environmental Protection Act, 1999*, the *Species at Risk Act*, the *Canadian Energy Regulator Act* and the *Impact Assessment Act*. The Standing Committee amendments to the BCA include a prohibition against adding certain specified legislation to the BCA's schedule, including the *Criminal Code*, the *Indian Act* (which was listed in the original version of the schedule) and the *Investment Canada Act*.

*The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.*

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