

Countering Energy East Pipeline Spin: Talking points

TransCanada Corp. is actively promoting plans for the “Energy East” pipeline that would carry up to 1.1 million barrels of oil per day, including tar sands crude, from Alberta to eastern markets. The 4,400-kilometre pipeline is expected to lead to massive tanker exports from Quebec and the Atlantic coast to send crude to the much larger and more profitable markets of the U.S., India, China and Europe. TransCanada would convert its 40-year-old natural gas pipeline (between Saskatchewan and Quebec), connecting it with new pipeline in the west to Empress, Alberta, and through Quebec to Saint John, New Brunswick.



The Council of Canadians opposes the Energy East pipeline. This export pipeline would pose serious threats to local water supplies, communities and coastal waters. It would promote the expansion of the tar sands, which contaminate the water, land and air of nearby communities, and stand in the way of the alternative energy future we need. We are encouraging people to use these talking points when they attend open houses hosted by TransCanada Corp. to voice their objections to this broken pipeline plan.

For more information and resources please visit www.canadians.org/energyeast

The spin: The Energy East pipeline will result in a stronger oil refining industry and lead to greater energy independence in Atlantic Canada.

In reality:

- Canada’s energy sector is market-based – oil goes to the highest bidder.
- The report *Energy East: For Export NOT Domestic Gain* shows that the vast majority of the pipeline’s oil – an estimated 750,000 to 1 million barrels – would likely be shipped, unrefined, to places such as India, Europe and possibly, the United States.
- There are three refineries along the Energy East route: Suncor in Montreal, Valero in Levis and Irving in Saint John. These three refineries have the joint capacity of processing 672,000 barrels per day (bpd). There are three main existing and soon-to-be North American sources for these refineries: Atlantic Canadian offshore (100,000 bpd), U.S. imports (200,000 bpd), and Enbridge Line 9b reversal (250,000 bpd). This leaves a difference of only 122,000 bpd that the Energy East pipeline could supply.
- There is no assurance that crude refined in Quebec and Saint John will meet Eastern Canadians’ oil demands. According to a press release from Irving Oil (Saint John refinery) from early 2013, “the refinery exports over 80 per cent of its production to the U.S.” as refined products such as gasoline.
- Michel Martin, a spokesperson for Valero, one of the two Quebec refineries in question, stated in the *Financial Post*: “[The Valero refinery has] ‘no firm interest’ in the Energy East project at the moment because it has already made other significant sourcing commitments.”
- Enbridge Senior Adviser Stephen Wuori said in reference to Energy East: “*Any other project [beyond Enbridge Line 9b reversal] would have to be for markets beyond Quebec.*”

The spin: This is a nation-building project – it is a “done deal.”

In reality:

- What kind of nation is built on reckless expansion in the tar sands? The tar sands, expected to triple production in coming years, are already Canada’s fastest growing source of greenhouse gas emissions. First Nations living downstream from the tar sands, one of the largest industrial projects on Earth, are facing front line impacts including higher rates of rare cancers.¹ The tar sands are causing serious water and air pollution and destroying large tracts of boreal forest.
- This deal is far from “done.” Opposition is already bubbling up along the route and organizing is underway. TransCanada will face opposition to this project in each province it crosses. Tar sands pipelines, including Keystone XL, Enbridge’s Northern Gateway and Kinder Morgan’s TransMountain, are under heavy scrutiny and are unlikely to move forward. Why should Ontario, Quebec and Atlantic Canada accept the risks that other provinces are unwilling to?

The spin: Canadian regulations ensure pipeline safety.

In reality:

- The Harper government’s 2012 omnibus budget bill almost entirely wiped out environmental regulation in Canada. To streamline project approvals, the industry-friendly National Energy Board (NEB) was put in charge of energy projects and final decision making power was given to the cabinet.
- The NEB regulates pipelines that cross provincial boundaries. Many of the federally-appointed board members come straight from the energy sector or from provincial regulators that green-lighted resource projects.²
- The NEB does not have separate regulations for the transport of diluted bitumen from the tar sands despite ample evidence of the greater risks it poses when spilled.
- The Harper government has made it extremely difficult for people to participate in NEB hearings. To submit a comment letter about a tar sands pipeline, individuals now need to fill out a nine page NEB online application form justifying the reasons why they should be allowed to do so, including professional credentials and expertise.
- Prior to the NEB’s approval of Enbridge’s Line 9b reversal, CTV’s W5 found that the NEB only knew of seven spills along this pipeline, while Enbridge claimed there were 13. In fact, W5 found the pipeline had spilled about five times as much as the NEB disclosed – a total of 35 spills.³
- The NEB failed to report a massive explosion in a natural gas pipeline owned by TransCanada in 2009. The explosion sent 50-metre-tall flames in the air and destroyed a two-hectare site in Northern Alberta on Dene Tha’ First Nation land. A 2011 draft report by the NEB on the incident criticized TransCanada-owned subsidiary NOVA Gas Transmission for “inadequate” field inspections and “ineffective” management. The report further revealed that “the section of the pipeline that burst in 2009 was 95 per cent corroded. TransCanada’s own rules required that it physically inspect a pipeline when it reached 75 per cent corrosion.” Conveniently for TransCanada, the failure to post this report – which the NEB deemed to be an “administrative error” – coincided with the environmental review of the controversial Keystone XL pipeline in the U.S that included TransCanada’s negotiation of U.S. safety requests on pipeline construction, operation and design. The report only came to the public’s attention thanks to a *CBC* Access to Information request and report.

The spin: TransCanada prioritizes environmental safety.

In reality:

- Evan Vokes, a former TransCanada engineer became a whistle blower when he publicly stated the corporation was consistently placing budget and schedule considerations ahead of pipeline quality and integrity. Vokes raised these concerns with the NEB.
- The NEB recently found TransCanada “non-compliant” in four out of nine categories regarding key safety systems.
- While TransCanada promised their Keystone pipeline (the Keystone XL will add to the Energy East pipeline) would be state-of-the-art, there were 12 oil spills in its first year of operation, including one that spilled 79,493 litres of oil in North Dakota.⁴
- When the Keystone pipeline was being built, Mike Klink, a pipeline inspector working for a TransCanada contractor, says he witnessed the use of cheap steel that is prone to cracking, poorly spaced rebar, sloppy concrete jobs, and fudged pressure testing. When he reported these issues to TransCanada, he was first ignored and then fired.⁵

The spin: Tar sands spills are no more damaging than other spills.

In reality:

- Bitumen produced in the tar sands is thick and requires dilution with toxic chemicals to ship in pipelines. These chemicals can include polycyclic aromatic hydrocarbons such as benzene, which are known to negatively impact human health.
- Unlike conventional crude, bitumen does not float, it sinks. This has posed significant challenges to the cleanup of the Kalamazoo River in Michigan where close to 3.8 million litres of diluted bitumen spilled in July 2010. The U.S. Environmental Protection Agency is still working to ensure submerged bitumen is removed from the bottom of the river. Conventional spill response measures have not worked – years later the river is still polluted. Enbridge now estimates cleanup costs of close to \$1 billion for the Kalamazoo spill.
- When dil-bit spilled in the Kalamazoo River, the toxic chemicals separated from the bitumen (which sunk in water) and began off-gassing, nearby residents say they experienced headaches, nausea and respiratory symptoms.⁶

The spin: Converting a pipeline does not increase safety risks.

In reality:

- The pipeline that would be converted was built in the 1970s as part of TransCanada’s Mainline pipeline system, which includes up to six pipelines that ship natural gas from Alberta to Quebec.
- TransCanada’s Mainline segment from Winnipeg to Ottawa has, on average, ruptured every 10 years.
- Pre-1970s pipelines (i.e. the type of pipe TransCanada is proposing to convert) are predisposed to cracking and corrosion along lengthwise seams.⁷
- The Exxon Pegasus pipeline spilled an estimated 1 million litres of diluted bitumen (dil-bit) from the tar sands in Mayflower, Arkansas in early 2013. Like the proposed Energy East pipeline, this pipeline was initially built to carry thinner oil at lower pressure.
- In a study for the U.S. Department of Energy, the National Petroleum Council stated that “pipelines operating outside of their design parameters, such as those carrying commodities for which they were not initially designed, or high flow pipelines, are at the greatest risk of integrity issues in the future due to the nature of their operation.”

The spin: The Energy East pipeline project would generate thousands of jobs.

In reality:

- TransCanada has a bad record of over-estimating potential jobs. While President Obama now talks about 50 to 100 long-term jobs being generated by the Keystone XL pipeline, TransCanada has referred to 20,000 jobs being generated.
- The Cornell Labour Institute has provided evidence that TransCanada's Keystone XL job promises were overblown.
- While the Energy East project would generate some jobs, it would also imperil jobs. A spill along the pipeline route in the Gulf of St. Lawrence and coastal waters of New Brunswick would threaten farms, jobs reliant on clean water sources, fisheries and tourism.
- There is tremendous potential for jobs that improve energy efficiency and transitioning to renewable energy sources. Studies suggest that the job potential of energy efficiency and renewable energy generation outpaces jobs in oil and gas as much as six to eight times. What we are lacking is the political will to make the new energy economy a priority.

¹ Vincent McDermott, Fort Chipewyan Cancer Study set to Begin, Fort McMurray Today, February 20, 2013
<<http://www.fortmcmurraytoday.com/2013/02/20/fort-chipewyan-cancer-study-set-to-begin>>

² <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/energy-panels-a-world-apart/article1632251/?cmpid=rss1>

³ <http://www.ctvnews.ca/w5/line-9-has-had-significantly-more-spills-than-previously-stated-w5-reports-1.1698286#ixzz2x5LjgZsb>

⁴ <http://thinkprogress.org/romm/2011/08/17/297576/oil-spills-transcanada-keystone-xl-pipeline/>

⁵ http://journalstar.com/news/opinion/editorial/columnists/mike-klink-keystone-xl-pipeline-not-safe/article_4b713d36-42fc-5065-a370-f7b371cb1ece.html?mode=story

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http://www.michigan.gov/documents/mdch/enbridge_oil_spill_epi_report_with_cover_11_22_10_339101_7.pdf

⁷ <http://ecologyottawa.ca/2014/04/03/the-gift-that-keeps-on-misgiving-an-unending-ottawa-dilbit-spill/>



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