Ferguson, Susan M EMNG:EX

From: Minister, EMH EMH:EX

Sent: Monday, February 18, 2013 10:52 AM EMNG Correspondence EMNG:EX To:

info/file FW: Letter re. CN Pipeline-on-rail proposal through BC Subject:

Attachments: CN Rail letter 2013 final.pdf

From: Coleman.MLA, Rich [mailto:Rich.Coleman.MLA@leg.bc.ca]

Sent: Thursday, January 31, 2013 11:29 AM

To: Minister, EMH EMH:EX

Subject: FW: Letter re. CN Pipeline-on-rail proposal through BC

From: Nikki Skuce [mailto:nikki@forestethicsadvocacy.org]

Sent: January-30-13 4:12 PM To: premier@gov.bc.ca

Cc: Coleman.MLA, Rich

Subject: Letter re. CN Pipeline-on-rail proposal through BC

Greetings Premier Clark,

We are sending you a copy of the attached letter signed by 16 organizations and community based groups against CN's "pipeline-on-rails" proposal through British Columbia. It was sent to CN's President and CEO Claude Mangeau.

If you have any questions or would like to respond, you can reply to me at this email or the mailing address below.

Sincerely, Nikki

Nikki Skuce

Senior Energy Campaigner

ForestEthicsAdvocacy • • •

Box 3022, Smithers, BC V0J 2N4

250-877-7762

nikki@forestethicsadvocacy.org

Twitter: @nikkiskuce

Follow us on Twitter @forestethics or on Facebook www.facebook.com/forestethics



CN Headquarters 935 de La Gauchetière Street West Montreal, Quebec H3B 2M9 claude.mongeau@cn.ca

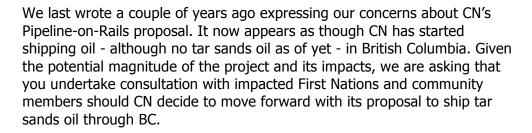
Tel: 514-399-2963

Attention: Claude Mongeau, CN President and CEO



January 29, 2013

Dear Monsieur Claude Mongeau,



Both your company and the Port of Prince Rupert acknowledge that at this time CN is not moving crude oil to Canada's west coast ports, where there are no terminals in place to unload crude oil from rail cars to ocean vessels for export. However, given the current momentum behind transporting oil by rail and the unlikely construction of new pipelines, we're once again writing to express our opposition for such a proposal through British Columbia.





As with certain pipeline proposals, we are concerned about the upstream impacts associated with tar sands production, including rising greenhouse gas emissions. Confirmation that carcinogenic polycyclic aromatic hydrocarbons from tar sands production are polluting Alberta's lakes is grave concern to both the surrounding ecosystems and local communities.



We are particularly concerned about our wild salmon watersheds and the potential impacts an oil spill could have on them. A train derailment and spill into the Skeena or Fraser watersheds could have tragic consequences to salmon, wildlife, tourism and drinking water supplies. CN's rail line runs parallel to the Skeena River for several hundred kilometres, and crosses the upper tributaries of both the Fraser and Skeena watersheds numerous times. Even a small oil spill could be devastating to fish stocks depending on the time of year.



It is our understanding that CN has already begun a "geographic response planning" pilot program along the Skeena River to identify river access points and important features, including cultural sites and environmentally-sensitive areas. Unfortunately, as a recent study by the think-tank the Manhattan Institute indicates, there are far greater fatality, injury and



environmental risks when transporting crude oil by rail than by pipeline. The industry itself acknowledges that trains have nearly three times the number of spills as pipelines (which provides little comfort given Enbridge's oil spill record).



CN lacks a positive environmental record. Lakes and rivers have been polluted and fish and wildlife have been killed by CN spills of toxic products. Over 72,000 fish were killed in Illinois when CN spilled 60,000 gallons of ethanol into a tributary of the Rock and Kishwaukee rivers; fish and wildlife were killed when CN spilled 1.3 million litres of heavy bunker fuel oil and 700,000 litres of pole treating oil into Wabamun Lake, Alberta; and 500,000 fish were killed near Squamish, British Columbia when CN spilled 40,000 litres of caustic soda into the Cheakamus River. In January 2011, a CN train bound for Prince Rupert derailed close to Tete-Jaune Cache, spilling coal into the Fraser River. Unfortunately, these are just a small sample of CN spills.



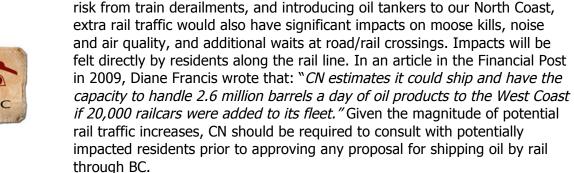
As Emile Therrien, past president of the Canada Safety Council who formerly sat on the railways safety committee, recently told the Globe and Mail: "If you look at our two major railroads in Canada, they're very unsafe." He pointed to both lack of upgrades to track infrastructure and insufficient safety audits by the government.



Transporting tar sands to the port of either Kitimat or Prince Rupert is unprecedented and would result in the introduction of oil tanker traffic to Canada's North Pacific coast. The risks to coastal fisheries and tourism jobs, as well as to cultures and communities who reside there, are too great. In response to our last letter, you indicated CN has no comment or responsibility on the marine-side of shipping tar sands via the west coast. While CN has no required legal liability, it would be unacceptable to British Columbians to assume the majority of the liability for CN's project.

On top of facilitating tar sands expansion, putting our wild salmon rivers at

Sea to Sands Conservation Alliance



Friends of Morice-Bulkley

In addition, opposition to Enbridge's Northern Gateway or Kinder Morgan's TransMountain expansion proposal from communities and First Nations across the province is likely to be extended to CN's Pipeline-On-Rails proposal. The Union of BC Municipalities passed a resolution last September against any expansion of oil tanker traffic to the West Coast. Several





municipalities along the proposed Northern Gateway route and CN's rail line have passed their own resolutions against oil tanker traffic introduction and expansion. Coastal First Nations have a tanker ban in place that applies to any tar sands supertankers in the North Pacific Coast. The Save the Fraser Declaration, signed by over 130 First Nations, bans the transport of tar sands through the watershed, regardless of whether done by rail or pipeline. CN's proposal to the west coast would be in violation of all of these legal instruments.

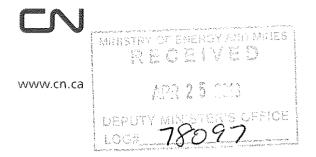
Should CN decide to try to move forward with its proposal, it would face major opposition and risks to the company. We urge you to stop any forward movement with shipping tar sands oil by rail through British Columbia. We look forward to your reply and would be happy to meet with you in the near future if interested.

Sincerely,

Nikki Skuce, ForestEthics Advocacy Keith Stewart, Greenpeace Canada Gerald Amos, Friends of Wild Salmon Shannon McPhail, Skeena Watershed Conservation Coalition Maryam Adrangi, Council of Canadians David Lane, T.Buck Suzuki Foundation Eric Swanson, Dogwood Initiative Brenda Belak, West Coast Environmental Law Caitlyn Vernon, Sierra Club of BC Karen Wristen, Living Oceans Society Julia Hill, Skeena Wild Conservation Trust Ian McAllister, Pacific Wild Murray Minchin, Douglas Channel Watch Sven Biggs, Tanker Free BC Dawn Remington, Friends of Morice-Bulkley Josh DeLeenheer, Sea-to-Sands Conservation Alliance

Cc: Mr. David Maclean, Chairman of the Board of CN Rail Don Krussel, President and CEO of Prince Rupert Port Authority Robin Silvester, President and CEO of Port Metro Vancouver Honourable Denis Lebel, Minister of Transport Canada Premier Christy Clark, Leader of the BC Liberals MLA Adrian Dix, Leader of the BC NDP

Please send reply via ForestEthics Advocacy, #350-163 West Hastings St., Vancouver, BC V6B 1H5



Western Region

Michael A. Cory Senior Vice-President

3rd Floor, Building B, 10229 – 127 Avenue Edmonton, AB T5E 0B9 Canada Region de l'ouest

Michael A. Cory Premier Vice-président

10229 – 127 Avenue 3° étage, édifice B Edmonton, AB T5E 0B9 Canada

February 26, 2013

Honourable Rich Coleman, MLA Minister of Energy, Mines and Natural Gas P.O. Box 9060, Stn. Prov. Govt. Victoria, British Columbia V8W 9E2

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	MINISTER OF ENERGY AND MINES
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Dear Minister Coleman,

British Columbia is a very important part of CN's network and as such, I wanted to inform you of CN's position on an issue that is of considerable profile.

I have enclosed a copy of a letter sent by Claude Mongeau, President and Chief Executive Officer of CN, responding to the January 29, 2013 letter from several environmental groups opposing movements of petroleum products by rail through British Columbia.

While CN plays an important and growing role in moving crude oil, complementing the transportation provided by pipelines to markets in Canada and the United States, CN does not yet move oil to Canada's west coast for export, simply because no customer has asked us to do so. We are not seeking to debate whether petroleum products should move through British Columbia for export in this letter. We believed, however, that we had no choice but to respond in order to set the record straight when these groups chose to malign CN's reputation by calling into question CN's safety and sustainability record.

CN is sharing with you this letter from Mr. Mongeau to establish the facts. CN's focus on safety is unwavering and we continually strive to improve our safety performance because of its importance to the communities we serve and the people we employ. Moreover, CN's commitment to environmental sustainability is at the core of what the company stands for, and has been recognized by the Dow Jones Sustainability Index and the Carbon Disclosure Project.

Honourable Rich Coleman, MLA February 26, 2013 Page Two

CN is proud of our role as a backbone of the economy and our commitment to safety and sustainability. We believe it is vital to have a balanced, informed discussion of the issues associated with the transportation of energy, whether by rail or pipelines, both of which are safe and reliable modes of transportation.

Please do not hesitate to contact me if you have any questions or comments on Mr. Mongeau's letter.

Sincerely,

Michael A. Cory Senior Vice President Western Region

enclosure



www.cn.ca

Claude Mongeau President and Chief Executive Officer

935 de La Gauchetière Street West Montreal, Quebec H3B 2M9 Canada T 514-399-2963 Présidentdirecteur général

935, rue de La Gauchetière ouest Montréal (Québec) H3B 2M9 Canada claude.mongeau@cn.ca

February 20, 2013

Ms. Nikki Skuce ForestEthics 350-163 West Hastings St. Vancouver, BC V6B 1H5

Dear Ms. Skuce,

I received your letter of January 29, 2013, sent on behalf of a group of prominent environmental organizations. This letter follows another you sent in February 2011 in which you expressed the same opposition to the movement of crude oil by rail to the West Coast. Now, as then, I will take the opportunity your letter presents to outline CN's position in this important matter. In short, I wish to take exception to your representation of CN's safety and environmental record and offer a more balanced perspective on the issue of energy transportation than the one you bring forward.

Let me start by saying that CN's focus on safety is unwavering. We strive constantly to improve our safety record because we understand the importance of safe train operations in the communities we serve and care deeply about our employees' health. Frivolous and unsupported statements such as those of Emile Therrien, which you chose to quote from a Globe and Mail article, ignore the basic facts and long-standing efforts made by CN and the rail industry to successfully reduce the occurrence of derailments, accidents or injuries on our rail networks.

CN and the industry are investing billions of dollars every year in order to maintain the quality and integrity of our plant. CN is a leader in deploying advanced detection and inspection technology and is at the forefront of the industry in many safety practices. And we are making a consistent, systemic effort to embed safety in all our business processes and promote a true safety culture throughout our workforce across North America.

Ms. Nikki Skuce February 20, 2013 Page 2 of 4

In 2012, CN achieved new records of safety performance. We had the fewest derailments, crossing accidents and employee injuries in our proud history of nearly 100 years in the rail business. More specifically, as it relates to the movement of dangerous goods, our safety record is enviable. We bring to destination without any spill nearly 100% of the carloads we transport (99.99% without accident-related release to be exact). In fact, our safety performance (taking into account both the frequency and size of spills) is just as solid as the pipeline industry, certainly not much worst as you suggest. Furthermore, our incident response capability in the rare instances where there is an accident is comprehensive and regularly tested.

But even the safest modes of transportation remain susceptible to incidents and CN is no exception. We indeed have had a few very unfortunate accidents in our history that caused serious harm to the environment. The 2005 Wabamun and Cheakamus derailments you refer to are clear examples. These accidents occurred in spite of a sound safety management system at CN and the root causes are well understood by us and by the Canadian safety regulators. Furthermore, in both cases, CN stepped up to remediate the harm caused by our operations, with more than \$125M to clean Lake Wabamun of oil residue, monitor water conditions and compensate adjacent land owners on the lake, and more than \$10M to completely rebuild fish populations in the Cheakamus river in partnership with First Nations and local stakeholders.

No human activity is without impacts on the environment and our challenge is to seek ways to minimize those impacts and manage the risks to ensure a sustainable future. I believe that CN meets this sustainability challenge better than most industrial companies operating anywhere in the world. You should focus on the hard facts, and find comfort in the broad recognition CN has received in this regard over the years, instead of relying on anecdotal evidence and misguided quotes. We are certainly prepared to be held accountable against a sound framework of safety management, but we find that your exaggerated line of argument does not form an appropriate basis for a constructive focus on such important issues.

CN's push towards environmental sustainability is a core part of what we stand for as a company. Indeed, CN is widely recognized for our broad-based sustainability agenda. We have been steadily reducing our emission intensity over the years as our operations and locomotives fleet become more fuel efficient. By now, CN is a full 15% more fuel efficient than the rest of the rail industry across North America. We are also about four times more fuel efficient than the dominant trucking mode of transportation and broadly equivalent to pipelines in terms of greenhouse gas emissions, if not slightly better for heavy crude. In short, the world needs more rail movements, not less, if we care about GHG emissions.

Ms. Nikki Skuce February 20, 2013 Page 3 of 4

We are also working hard to reduce our broader environmental footprint across all our activities. This effort includes a concerted focus on shrinking the use of input materials, water and all forms of energy, as well as initiatives to cut the production of waste and residuals through re-use and intensive recycling. We are keenly aware of the sensitive habitats along our network and are taking important steps to minimize the risk of discharge and further improve our spill-response capabilities in a proactive and responsible manner.

In the final analysis, we believe that the perspective that you cast on the movement of crude oil by rail is not properly balanced. It misrepresents the risks of rail transportation, both in terms of safety and environmental stewardship, and it overlooks the important role that rail can play in moving such products to end-markets across North America. Railways can complement existing pipeline infrastructure and we are just as safe and as environmentally sustainable as they are in moving energy to market. CN fully endorses the development of efficient renewable energy and is, in fact, increasingly involved in moving products such as bio-fuels, wood pellets and wind towers. But as long as petroleum products remain a key part of Canadian energy requirements, CN's responsibility is to move them as safely and efficiently as possible in the broad public interest.

We move coal for power generation and steel making, fertilizers to help farmers grow better crops, we move grain to feed the world, chlorine to clean water, we move finished vehicles for those who seek mobility, and we even move iPads to connect the minds of young people. We move all these products, and many more, as part of the role we play as a true backbone of the economy, transporting five million carloads of goods worth more than \$250B every year. And we also move a small, but growing number of carloads (about 34,000 in 2012) carrying crude oil from Western Canada to Eastern Canada and the U.S. Gulf region. We currently do not carry crude oil to the West Coast simply because no customer has yet asked for us to do so. But if infrastructure was permitted for this purpose on the West Coast and a request was made to CN, we would respond and do what our business mandate and common carrier obligations call for – move these products as safely and efficiently as we can for the benefit of all Canadians.

Ms. Skuce, as a father of three teenagers and as the CEO of CN, I believe in the importance of environmental stewardship. As an avid angler whose passion is fly fishing, I can relate to the importance of protecting the delicate ecosystems in which we live. I genuinely believe that the rail mode is a key part of the solution to build a more sustainable world, so we should work together to find new ways to bring more freight on railways and strive to make this mode of transportation even safer and more environmentally sustainable.

Ms. Nikki Skuce February 20, 2013 Page 4 of 4

We are willing to engage you and your group on this basis, but it's important for you to know that CN is not the right party to call on if your goal is to make a case against Oil Sands development. That complex debate is for others in civil society and for governments to decide on wisely. One thing is for sure, however, calling into question the safety of our operations without proper facts; or attempting to stop railroads from doing what they legally have to do in order to advance your views on Oil Sands production is not the most responsible approach. I sincerely hope that you and your colleagues will reflect on our legitimate position and choose to engage us accordingly.

Most respectfully.

Claude Mongeau President and

Chief Executive Officer

c.c.: Keith Stewart, Greenpeace Canada
Gerald Amos, Friends of Wild Salmon
Shannon McPhail, Skeena Watershed Conservation Coalition
Maryam Adrangi, Council of Canadians
David Lane, T.Buck Suzuki Foundation
Eric Swanson, Dogwood Initiative
Brenda Belak, West coast Environmental Law
Caitlyn Vernon, Sierra Club of BC
Karen Wristen, Living Oceans Society
Julia Hill, Skeena Wild Conservation Trust
Ian McAllister, Pacific Wild
Murray Minchin, Douglas Channel Watch
Sven Biggs, Tanker Free BC
Dawn Remington, Friends of Morice-Bulkley
Josh DeLeenheer, Sea-to-Sands Conservation Alliance

David McLean, Chairman of the Board, CN
Don Krussel, President and Chief Executive Officer, Prince Rupert Authority
Robin Silvester, President and Chief Executive Officer, Port Metro Vancouver
Honourable Denis Lebel, Minister of Transportation, Infrastructure and
Communities
Honourable Christy Clark, Premier, Province of British Columbia
MLA Adrian Dix, Leader of the BC NPD

Pages 11 through 14 redacted for the following reasons: s.21



May 9, 2013

Mr. Alex Beliaev Screening and Evaluation Manager Sustainable Development Technology Canada 1850 – 45 O'Connor Street Ottawa, ON K1P 1A4

Dear Mr. Beliaev:

I am writing in support of Liquiline North America and its partners' application to Sustainable Development Technology Canada for a Rail Liquefied Natural Gas (LNG) Tender Car Project (Project) in British Columbia.

I have reviewed the Project proposal provided by the proponents, and I believe it will significantly benefit Canada and British Columbia through improved environmental performance of the rail industry, economic development and growth, and societal benefits. New markets would be created for natural gas and LNG, and jobs would be generated to support a new value chain in technology, manufacturing, logistics and operational support.

A vibrant and competitive LNG tender car industry in our Province has the potential to create more jobs and spur economic development in communities. This effort to develop the Project would strengthen the competitive position of the industry in British Columbia and Canada.

I am pleased to provide this letter of support for the Project.

Sincerely,

Steve Carr **Deputy Minister**

Mr. Calum McClure pc:

President

Liquiline North America

Ferguson, Susan M MEM:EX

Subject: FW: Liquiline - Rail Project

Attachments: LNA - LNG Tender Car Application _Final Proposal - FINAL executive summary.pdf

From: Calum.McClure@liquiline.com [mailto:Calum.McClure@liquiline.com]

Sent: Saturday, April 13, 2013 9:47 PM

To: Hansen, Brian EMNG:EX Subject: Liquiline - Rail Project

Dear Brian,

Liquiline North America and our consortium of project partners (GE, Shell and CP) are seeking letters of support for our LNG tender car project which is in final review with SDTC. GE Canada has arranged the support from the following bodies:

Canadian Natural Gas Vehicle Alliance

CAD Railways (a Canadian SME that would benefit from the project)

They are also working on the letters of support from the Canadian Gas Association and also the CEO of Canadian Pacific Railways.

Further to our meeting it would be great if the Minister for Energy and Mines, or higher, could provide a letter of support from this project to SDTC in Ottawa. The investment committee will meet in about 2 weeks time to either approve or kill this project.

The project has really significant benefit to Canada and also BC in the following key areas:

Environmental benefits - we have issues around increased rail traffic and diesel exhaust which is associated with this. For example the coal expansion project in Vancouver. The new technology would reduce particulate matter by 85% of the total fuel consumption for locomotives using the new technology.

http://www.vancouversun.com/news/City+weigh+coal+proposal/8064095/story.html.

A Competitive rail industry – there is huge potential benefit for the rail industry to reduce costs and become more competitive. This would support key transportation corridors such as the Northern Gateway in BC. As 70% of Canadian exports touches the rail industry it is of strategic importance to be proactive in maintaining its competitiveness.

New markets for Natural Gas – with a lot of focus on export markets we also need to supporting the transition to LNG on a regional basis for the transportation sector.

New skills and jobs to BC – The LNG tender car industry is new and there would be new jobs and competencies to design, procure and build these units. We are working with IMW Industries in Chilliwack for the initial unit.

I would be deeply grateful if you could arrange a letter of support to be provided to SDTC at the following address:

Alex Beliaev: Screening and Evaluation Manager Sustainable Development Technology Canada 45 O'Connor Street, Suite 1850 Ottawa, Ontario K1P 1A4 Companies such as Westport have benefited significantly from SDTC funding and it has propelled these to global players within new industries. This project has the same potential.

I have attached the executive summary of the project for your information.

I look forward to hearing from you and I hope you would be able to arrange something in support of Liquiline in this exciting project.

Best regards

Calum

Calum McClure

President, Liquiline North America

Cell: +1 604 761 4868 Skype: calum.mcclure

E-mail: calum.mcclure@liquiline.com



LIQUILINE

Web: www.liquiline.com

Firth, Janet EMNG:EX

From: Minister, MNGD MNGD:EX
Sent: Thursday, July 18, 2013 11:16 AM
To: EMNG Correspondence EMNG:EX

Subject: FW: cn rail bridge juggler!

Info file, please

From: Coleman.MLA, Rich [mailto:Rich.Coleman.MLA@leg.bc.ca]

Sent: Wednesday, July 17, 2013 3:50 PM

To: Minister, MNGD MNGD:EX **Subject:** FW: cn rail bridge juggler!

From: s.22 **Sent:** July-17-13 3:14 PM

To: Coleman.MLA, Rich; s.22

Cc: s.22

Subject: Fw: cn rail bridge juggler!

Hi;

I read that CN have decided, without public or community involvement to REMOTELY OPERATE of the Second Narrows CN rail bridge from New Westminster.—you can't make this stuff up!!

The following article ("stop crazy scheme")was published as a 'comment' in the Vancouver Observer which covers some of the same issues..(included as background information)

"What is particularly interesting to me is a story about the CN Rail bridge operator Tony AU..." Tony's ability to JUGGLE the incoming rail and marine trafficthat kind of precise coordination actually requires meticulous attention, points out Plant Maintenance supervisor, Don Brears......" I suppose I shouldn't be surprised but when I searched that the CN link today, I was told 'the page was not found—'!!

Things for me seem to get stranger and stranger—we are required to have a months or years long public hearing (NEB) debate about a pipeline; seems like a good idea to allow the public to have their say !...But, when it comes to shipping bitumen and operating vital bridges or Coast Guard facilities —the boys in the backroom discuss the issue —and Bob's Your Uncle; 'it's decided '...! What's the need for public involvement—when we have all these 'experts' in Ottawa!

Transportation and energy systems are vital—and all of us do benefit—but the community must be allowed to decide how best to accommodate those facilities—many issues here—but early community involvement is required..Example;Some say the Enbridge Northern Gateway project is struggling because of late and ineffective community involvement ??

We can only hope that the New Westminster bridge control room operator is 'as good a juggler' as was Tony AU...

s.22

Stop crazy scheme! (from Vancouver Observer)

s.22 December 31st 2012 | 1:13 PM

Obama: 'Where I was wrong is in my belief that the oil companies had their act together when it came to worst case scenarios.'— May 2010, press conference. President Obama sums up the the common 'message' that major corporations such as BP, and Exxon would have us believe; likewise for pipe liner Enbridge in Kalamazoo, Michigan and Kitimat. Now closer to home and Kinder Morgan....An Experts Papel presentation about

NGD-2014-00019

'CRUDE OIL EXPORTS THROUGH SECOND NARROWS' -was given to the Vancouver City Council, July 5 ,2010))---see link http://www.georgiastrait.org/files/share/kerSafetyExpertPanel-PB-0v1-61-5July2010rdx.pdfFlip through this report and then decide what you can do to stop this crazy scheme to expand oil tanker traffic in our busy Burrard Inlet. Also, think about the potential for an oil tanker 'hit' on the CNR Second Narrows Rail bridge and the economic impact of a damaged rail bridge....read about the work done by Tony Au (rail lift bridge operator; now retired, I believe)—here's the linkhttp://www.cn.ca/documents/Corporate Citizenship People/Summer2008-TonyAu-en.pdfand here's an excerpt from this report... "Tony's ability to juggle the incoming rail andmarine trafficthat kind of precise coordinationactually requires meticulous attention, points out Plant Maintenance supervisor, Don Brears...... POINT: Incidents do happen—what we must do, is minimize the probability and the resultant consequences of that incident. The ships get larger but the 'narrows' remain narrow! What to do? 1. Ensure that all operating staff are competent and trained—make training a priority for Board of Directors attention—2. As for the Burrard Inlet--remove all Kinder Morgan facilities and oil tanker traffic to Roberts Bank—where they BELONG! Shipping, pipelines and rail are vital services---we need to make maximum effort to do the sensible thing. If you agree make your views known—contact your MP,MLA, Media favorite ;everyone you know before it's too late to make common sense changes...

Firth, Janet MEM:EX

From: Minister, MNGD MNGD:EX

Sent: Thursday, December 5, 2013 12:51 PM

To: s.22

Cc: OfficeofthePremier, Office PREM:EX

Subject: Oil by rail to Prince Rupert

Ref.: 81444

s.22

Email: s.22

pc: <u>Premier@gov.bc.ca</u>

Dear s.22

Premier Christy Clark has asked me to respond to your September 23, 2013 email regarding oil by rail to Prince Rupert and building a refinery near the Alberta oil sands. As Minister of Natural Gas Development, I am pleased to reply.

Interprovincial railways, such as Canadian National (CN), are regulated by the Government of Canada and are authorized to move hazardous goods, such as oil in British Columbia, so long as they adhere to strict federal regulations. What the Province can and will continue to do is work with our federal counterparts and industry to ensure proper rules and regulations are in place and are followed.

Although the volume of oil shipped by rail in North America has increased significantly in recent years, we know that the amount transported through British Columbia is relatively low. Solid unit trains of tank cars are not used to ship crude oil through our Province for marine export to foreign markets. A small number of rail cars are, brought in daily to Chevron's Burnaby Refinery to supplement British Columbia's petroleum needs.

The Province recognizes the importance of balancing safety, economic development and environmental stewardship. We are in contact with the public and industry around policy development through working groups, such as the one held this past June to explore spill prevention and preparedness, spill response standards, and environmental and natural resource recovery. Going forward, British Columbia will continue to engage with organizations, such as the Railway Association of Canada, CN, Canadian Pacific Railway, Transport Canada, Environment Canada and Natural Resources Canada, on Land Based Spill Preparedness and Response planning.

A number of projects are being proposed for pipelines and to build a refinery in Kitimat to ship oil to British Columbia's west coast. Information on the refinery proposal is available on Kitimat Clean Ltd.'s website at http://kitimatclean.ca/. In addition, the Province commissioned a review of the proposed Kitimat refinery project, available at

 $\frac{http://www.empr.gov.bc.ca/OG/oilandgas/publications/TechnicalDataandReports/Documents/Navigant\%20Kitimat \\ \%20refinery\%20final\%20031413.pdf.$

The provincial government has set out five requirements that must be met before British Columbia considers supporting of any heavy oil pipeline projects:

- 1. Environmental review processes are successfully completed;
- 2. World-leading marine oil spill response, prevention and recovery systems are in place to protect British Columbia's coastline and ocean:

- 3. We have world-leading practices for land oil spill prevention, response and recovery systems to manage and mitigate the risks and costs of heavy oil pipelines;
- 4. Aboriginal and treaty rights are respected, and First Nations have the opportunity to participate in and benefit from a heavy-oil project; and
- 5. British Columbia receives a fair share of the fiscal and economic benefits that reflects the risks of a heavy oil project.

The Government of British Columbia is committed to ensuring that energy development is economically, socially and environmentally responsible in order to benefit British Columbians and meet our future energy needs.

Thank you for writing and sharing your comments.

Sincerely yours,

Rich Coleman Minister of Natural Gas Development and Deputy Premier

Ferguson, Susan M MEM:EX

Subject: FW: Oil by rail to Prince Rupert (MNGD 81444)

----Original Message----

Sent: Monday, September 23, 2013 9:14 AM

To: OfficeofthePremier, Office PREM:EX; pm@pm.gc.ca

Cc: cathy.mcleod@parl.gc.ca; Justin Trudeau

Subject: Oil by rail to Prince Rupert

Dear Premier Clark and PM Harper,

I see an article on cbc news that CN Railway is in talks, instigated by Chinese owned Nexen Inc, to ship crude oil from Alberta to Prince Rupert. This is very disturbing, because CN is very frequently in the news for derailments. Disaster to the BC environment is virtually assured if this plan goes ahead.

Can you, or someone, explain why a refinery cannot be built close to the oils sands, resulting at least in a less damaging product being shipped. All I've heard, so far, on this idea is that labour costs and freight is too costly.....but, I argue, that these concerns are hugely mitigated by the benefits that would accrue to Canada via Cdn job creation and reduced environmental risk.

s.22