



Written Evidence by the Council of Canadians

Re: Hearing Order MH-1-2006 regarding

TransCanada Pipelines Limited and TransCanada Keystone Pipeline GP Ltd.

Application for Leave to Transfer Pipeline Facilities and related Orders

October 26, 2006

Founded in 1985, the Council of Canadians is Canada's largest citizens' organization with members and chapters across the country. We work to protect Canadian independence by promoting progressive policies on fair trade, clean water, safe food, public health care and other issues of social and economic concern to Canadians. We are presenting at these hearings representing the concerns of tens of thousands of Canadians across the country.

Individual citizens have advised us that, for them, participation in Energy Board hearings is cost prohibitive and time consuming. Many individuals cannot afford to leave work to attend these meetings. Many individuals cannot afford a lawyer to speak on their behalf. Many individuals are intimidated by this process. In Alberta, many people are attending countless meetings and hearings by the Alberta Energy and Utilities Board and developers. These individuals attend these meetings on their own time and this precludes them from attending at this NEB hearing as well.

With respect to oil, the National Energy Board states that:

“Canada produces enough oil to meet its own needs and has been a net exporter of oil for some time; however, oil is imported to supply both the Atlantic Provinces and Quebec.”

Currently, heavy crude oil exports are at 1,084,934.3 bbl per day and 636,712.5 bbl per day of light crude (May 2006 - National Energy Board).

The Keystone Pipeline Project proposes to export 435,000 bbl/day of crude oil.

The Proportional Sharing Clause, Article 60-5, of the North American Free Trade Agreement (NAFTA), restricts our ability to cut back on future oil exports. In other words, the more oil we ship to the United States the more oil we *must* ship. Article 605 of NAFTA obliges Canada to continue exporting non-renewable hydrocarbons to the U.S. in the same proportion of total supply as was sold to the U.S. over the three previous years.

This begs the question, “At what point is it in our best interest to stop increasing the quantity of oil shipped to the U.S.?”

The National Energy Board monitors the supply and demand of oil to ensure quantities exported do not exceed the surplus remaining after Canadian requirements have been met.

The Council of Canadians believes that it is imperative that a Canadian Energy Policy be developed to ensure that Canadians will continue to have guaranteed access to oil and gas resources until such time as an alternative energy supply is available.

This policy should also include a proviso that prevents raw crude from being shipped to the U.S. for refining and then shipped back to Canada as a refined product and at a higher price. Canadians should not be at the mercy of the U.S. oil and gas industry. During hurricane season in the U.S., oil and gas wells are often destroyed and/or put out of commission for a long period of time, prompting an increase in the cost of oil and gas. Canadians need to be protected from fluctuations in the U.S. oil and gas market.

The National Energy Board website defines the Canadian public interest this way:

“The public interest is inclusive of all Canadians and refers to a balance of economic, environmental, and social interests that changes as society’s values and preferences evolve over time. As a regulator, the Board must estimate the overall public good a project may create and its potential negative aspects, with its various impacts and make a decision.”

The Council of Canadians agrees with this definition and, in the name of the public interest, many Albertans, including former Premier Peter Lougheed, are calling for a slowdown in the development of the Athabasca oil sands.

We are not opposed to development. We are opposed to development that is not in the public interest and, in particular, to the pace at which this development is taking place.

Currently, there is a huge imbalance in the economic, environmental and social interests of Alberta’s society. There is a projected \$10-billion worth of investment in the oil sands in the next ten years. Over the last several years, citizens of Fort McMurray have faced housing shortages, almost zero rental availability and a lack of infrastructure including roads, hospital beds and classrooms.

The rest of Alberta is now seeing these same issues arise in their communities as the frenzied development of the oil sands sends a ripple effect throughout the rest of the province. In looking at the “overall good a project may create and its potential negative aspects,” we encourage the Board to look at the environmental impact of current and projected oil sands development, pipeline development, coal mines, coaled methane drilling, LNG pipelines and nuclear energy development. It is wise to look at each development request individually. There are many facets of a project that must be reviewed and understood. At the same time, it is imperative that a cumulative environmental impact assessment be undertaken.

One needs only to look at a map of Alberta with all of the oil and gas drill sites on it, then overlay that with a map of all the pipelines in Alberta, then overlay that with all the oil sands development, and then overlay that with all the coal mine sites on it. All of this energy development in Alberta is taking its toll on our landscape with serious detrimental effects to our environment.

In conclusion, we ask the Board to consider the following:

1. Is it in the best interests of Canadians to build another pipeline across our country?
2. Is it in the best interests of Canadians to ship raw resources and jobs out of our country?
3. Will a cumulative environmental impact assessment be done to ensure Canadians that all of the oil sands development and the tertiary developments will not have any negative impact on them or the environment?
4. How will the board address the impacts of NAFTA and the future of Canada’s energy security in light of the proportional sharing clause?

Respectfully submitted,

Lyn Gorman
Prairie Organizer
Council of Canadians