



Summary of Cities Initiative Recommendations to the National Energy Board regarding Line 9 Reversal Project

Background

Enbridge, a Canadian energy company, is seeking approval from the National Energy Board to reverse the flow of its 37-year-old Line 9 oil pipeline that extends from Hamilton to Montreal, running contiguously with Lake Ontario and the St. Lawrence and cutting through the Greater Toronto area. In addition to reversing the flow, Enbridge is asking seeking approval for an increase in capacity and a change in the nature of the product being transported, from refined oil to unrefined diluted bitumen (*dilbit*). The reversal will allow Western oil from Alberta to be transported to a Montreal terminal to be refined and then distributed to eastern markets.

The Enbridge proposal is subject to National Energy Board hearings that took place in Montreal last week and are continuing in Toronto beginning October 15, 2013

The Cities Initiative is making a presentation to the hearing panel on October 16th. A copy of the presentation can be found at <http://www.glslicities.org/resolution-statements/statements.cfm>

Seven Cities Initiative members, including the City of Hamilton, the Region of Halton, the City of Mississauga, the City of Toronto, the Town of Ajax, the City of Kingston and the City of Montréal are also providing input into this current NEB review process.

Cities Initiative recommendations

The Cities Initiative is making the following recommendations in seven areas to the National Energy Board concerning its Line 9 approval.

1. Regulation Exemption Request

The Cities Initiative asks that the NEB reject the request by Enbridge to be exempted from the application of Article 47 of the NEB Act that would allow it to begin operating the pipeline in advance of meeting conditions set out in the NEB approval. Instead, the Cities Initiative recommends that the NEB order the company to submit an application for authorization in service before starting to operate the pipeline with a reversed flow.



2. Monitoring and Prevention Actions of the Company

Enbridge declined our request to share the results of its 2012 inspection and data analysis of Line 9 to concerned parties and the general public, and its review by an independent monitoring agency and/or a recognized expert from the industry or academia.

The Cities Initiative calls on the NEB either to conduct an independent review process of both pipelines and management and protection programs and that the results of this review are made public.

3. Potential Environmental Impacts on Water Resources

In Enbridge's application to the NEB, no evaluation of risk to major surface waterways, including Lake Ontario, the St. Lawrence or their tributaries has been conducted. The Cities Initiative, as a condition to an order of approval by the NEB for the reversal project, request that the Company conduct a comprehensive risk assessment study on the possibility of a significant spill reaching major water ways located in close proximity to the pipeline.

4. Emergency Preparedness, Response Capacity and Clean-up Operations

The Cities Initiative recommends that the NEB evaluate Enbridge's integration with local emergency services in the prevention, preparation and response to an event or a major spill as well as evaluate Enbridge's intervention plan and instructions. In addition, the NEB should request that Enbridge deliver, on an annual basis, emergency response training and detailed information sessions regarding Line 9 to conservation authority staff, regional and local municipal staff, and emergency services personnel for all communities located on the path of Line 9.

The Cities Initiative also recommends that additional stop or isolation valves be installed by Enbridge on pipeline 9B near each major waterway crossing.

5. Clean-up Operations

The Cities Initiative recommends that an independent study, overseen by the NEB, be conducted to determine if and how the specifics of a dilbit clean-up may differ from a conventional oil spill, and how this may impact the environmental impact, and affect preparedness and response to dilbit spills.

6. Creation of a Spill Contingency (or liability) Fund

The Cities Initiative recommends that given the high costs potentially incurred by ruptures and spill, and in order to provide financial assistance to the various levels of government for costs related to emergency response, clean-ups and other required action, the NEB should create a

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comprehensive Oil Spill Contingency (or Liability) Trust Fund, financed for example by a fee on each barrel of oil conveyed, managed by the NEB or another independent or governmental agency or department.

The Cities Initiative also recommends that the NEB reviews at least on annual basis Enbridge's insurance limit to confirm adequacy and appropriateness of available coverage limits to satisfy obligations and liabilities that may arise from any major spill at an amount minimally equivalent to the total clean-up costs of the 2010 Kalamazoo rupture and spill.

7. Economic Rationale of the Project

The Cities Initiative recommends that the NEB asks Enbridge for full transparency relative to any Line 9 extension planned or considered in the foreseeable future, whether it be a proprietary or a third-party pipeline conveying the oil towards further terminal points on the Eastern seaboard. We suggest that any authorization given by the NEB be limited to time frames equivalent to Enbridge's written assurance of maintaining Montreal as the line terminal for at least the 10 next years, assurances to be renewed accordingly.