



**Jonathan Wilkinson
Member of Parliament for North Vancouver**

June 2nd, 2017

Dear Kerry,

Thank you for your correspondence dated January 25th, 2017 addressed to the Prime Minister of Canada. I understand that the Prime Minister subsequently responded to you and has asked a number of the relevant Ministers to reply directly to the various subjects you had raised.

You had however carbon copied me on the letter you sent to the Prime Minister. Given that it has been some time since your initial inquiry and given that it may take a few weeks for each Minister to respond regarding the issues in their respective areas, I am sending you a brief initial response re these matters.

In your letter you numbered your questions 1-6 - so I will attempt to provide answers in the same order:

Question 1: Will your government pass a law making illegal the movement of oil-by-rail between Alberta and Vancouver by any rail route, such law to take effect upon completion and commencement of shipment operations by the TMPL twin-pipeline?

The federal government has no plan at this time to make it illegal to move oil by rail. However, transporting oil by pipeline is typically more cost effective than shipping by rail. My expectation would be that, once pipeline capacity exists, the volume of oil being shipped to the West Coast via rail will decline.

Note that in 2015-2016 approximately 200,000-250,000 barrels per day of oil and petroleum products were transported by rail in Canada.

Questions 2-4:

2. Will K.M. be liable for the costs of a marine spill after loading of a tanker is complete and the ship has sailed?

3. If an oil spill occurs inside or outside of Canada's water territory, will Canada be the payer of all unrecoverable cleanup costs or will those costs default to British Columbia as the territorial government with the oil covered beaches?

4. The Exxon Valdez spill cost \$5B in 1979 dollars, plus subsequent additions over time. The Deep Water Horizon costs have exceeded \$40B and continue to rise. Precisely how much mandatory insurance coverage through P&I tanker coverage, K.M. and federal funds exist to pay the cost of marine cleanup from shipboard spills, grounding or sinking, and where to exclusions for coverage reduce Any payers liability or access to a funder like K.M. or the vessel owner?

Pipeline companies are subject to various regulations and are required to meet specific standards, including creating management systems and protection programs that anticipate, prevent, manage and mitigate potentially dangerous conditions associated with their pipelines.

Our Government recently passed the Pipeline Safety Act. This Act came into force in June 2016. The Act introduced a suite of new measures to strengthen pipeline safety around incident prevention, preparedness and response, and liability and compensation - enshrining the 'polluter pays' principle into law.

The Pipeline Safety Act sets out absolute liability of \$1 billion for companies operating major oil pipelines. This means that companies will be automatically responsible for up to \$1 billion in damages for incidents associated with the pipeline itself, regardless of whom or what caused the incident. It is important to note that where the pipeline company is at fault or negligent, liability will remain unlimited.

Beyond direct pipeline liability, Canada follows the polluter-pay principle with regard to potential spills at sea. In the early 70s a fee was levied on industry to create the Ship-source Oil Pollution Fund. The fund has been carefully managed to grow over time (was at ~\$408M at the end of FY2015/16), and it reimburses response agencies when the polluter is unable to pay or reaches a threshold. The Canadian Coast Guard routinely applies to SOPF to get reimbursed for a variety of expenses incurred during a standard environmental response.

The recently announced Oceans Protection Plan (OPP) committed the Government to significant strengthening this regime. Under the OPP framework shippers going forward will have unlimited liability with respect to spills at sea. This is to function as follows:

The Government of Canada will strengthen the polluter-pay principle by amending the Canadian Ship-Source Oil Pollution Fund to ensure adequate industry-funded compensation is available for those affected by oil spills.

This will include:

- *Unlimited compensation: Adequate and sufficient compensation in the event of a spill. The Government of Canada will remove the Ship-Source Oil Pollution Fund per-incident limit of liability, and make an unlimited amount of compensation available for spill response.*

- *Guaranteed fund top-up: In the unlikely event that the Fund is depleted, a modernized levy on those who ship oil would be instated, ensuring that the compensation continues to be funded by industry, not by Canadians.*
- *Funding into the hands of who needs it: Quickly providing funds to responders and victims of spills is crucial to the system's integrity.*

Question 5: As a regulated monopoly, K.M. is assured of a guaranteed return on its capital and equity investment in the new pipeline, in accordance with approved rates. The ultimate guarantors of this debt are the resident and domestic captive energy consumers without alternative supply option. Which is to say, if for one or another reasons the market turns fickle on Canada's tar-sands and seeks oil from others, domestic consumers are the firewall that will be liable for K.M. Guaranteed investment returns. What steps has your government taken to divorce the domestic market from being responsible for this K.M. Investment recovery and return, which is clearly contemplated for the purpose of pursuing and servicing export clientele?

As a private company, Kinder Morgan is not guaranteed a return on its investment by the government. Kinder Morgan will contract with energy companies who will pay for the service that Kinder Morgan will provide to them. The economics associated with construction and long term operation of the pipeline rest squarely with the pipeline company. The government has no involvement in such financial estimates or decisions.

Question 6: On the subject of Bill C. 51: - I was compelled to sue the RCMP in 2015 to gain correction of my daughters police files when they failed to follow the law in respect of criminal record check information, statements, that were not accurate or properly stated. The implications and existence of these false records, under Bill c. 51 limited her ability to travel to the US on a church mission to feed homeless people. When I confronted the RCMP to request correction they refused and suggested that I sue them.

In all honesty the moronic superintendent with which I was conversing by email never expected that I would indeed bring suit. But then again, I don't think he knew me very well. It cost us \$2,000 to get an official apology from the RCMP and correction of my daughters records. It shouldn't have in fact cost anything. With C. 51, given the state of US politics, the problem has gotten infinitely worse. Given that we are now dealing with a narcissistic nut job south of the border, I don't think any Canadian is comfortable with our personal information being shared abroad lest we wake up one morning to find it circling the globe as a tweet from a twit!

When will you repeal Bill C. 51. Will you commit not to replace Bill C. 51 for at least the duration of the Trump presidency?

The Government is focused on ensuring that Canada's national security framework operates effectively to both keep Canadians safe and to protect Canadians' cherished rights and freedoms.

In furtherance of both these objectives and to deliver on a key campaign commitment we have brought forward Bill C-22, which would establish the National Security and Intelligence Committee of Parliamentarians. Members of Parliament on the committee will have access to classified information

and a robust mandate to review the complete scope of our national security framework. This type of oversight function exists in most other western industrialized countries, but was missing in Canada.

Beyond this we will be making a number of additional improvements to the current security framework – as we committed to do during the 2015 campaign. The government is presently undertaking extensive consultations with Canadians, experts and parliamentarians from all parties. I would invite you to participate in the consultation process and/or to track progress regarding these matters.

Beyond legislative reform efforts, I should also note that this government believes that Canada should aim to become a world leader in counter-radicalization. Our government will be opening a new national office and centre of excellence for community outreach and engagement. The purpose of this office will be to provide leadership on Canada's response to radicalization to violence, coordinate federal/provincial/territorial and international initiatives, and support community outreach and research. To support this initiative, Budget 2016 included \$35 million over 5 years for the counter-radicalization office, with \$10 million per year ongoing.

Kerry, thank you for taking the time to write to the Prime Minister. I know that you will hear more from specific Ministers on each of these subjects over the coming period.

Kind regards,



Jonathan Wilkinson
Member of Parliament for North Vancouver