

Minister of
Natural Resources Canada



Ministre des
Ressources naturelle Canada

Ottawa, Canada K1A 0E4

AOUT
AUG 15 2017

Mr. Kerry Morris
kerry.morris1249@gmail.com

Dear Mr. Morris:

The Office of the Prime Minister has forwarded to me a copy of your correspondence of January 27, 2017, about the movement of oil by rail, marine oil spills, and tolling on pipelines. Please accept my apologies for the delay in responding to you.

The Government of Canada's objective is to ensure that our oil and gas resources are transported safely to market, whether it be via rail, pipeline or tanker ships. The Trans Mountain Expansion Project will help address an emerging bottleneck in Canada's pipeline network, which might otherwise drive producers to greater reliance on transportation by rail.

Canada pursues market-based energy policies that see crude oil and petroleum product prices in Canada determined by global market forces. Throughout North America and globally, the price of any particular type of crude oil is driven by market forces and changes daily. The price differential between light crude oil in Edmonton, Alberta, and the same type of crude at Cushing, Oklahoma, may be large or small depending on market forces. Oil prices and regional oil price differentials will be a main factor in determining if crude oil will continue to be transported to the west coast by rail, even if the Trans Mountain Expansion Project is built. I note that you also forwarded a copy of your correspondence to my colleague, the Honourable Marc Garneau, Minister of Transport, who may have further remarks on transportation of oil by rail.

You has several questions and comments about marine oil spills. Our government is protecting the environment by implementing a world-leading marine safety system, one that will meet Canada's unique context. On November 7, 2016, the Prime Minister announced the Oceans Protection Plan, a national plan to improve marine safety and responsible shipping, protect Canada's marine environment and advance Indigenous reconciliation. This \$1.5-billion plan will put in place concrete measure to enhance marine safety and to prevent and better respond to marine pollution incidents.

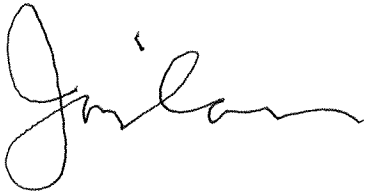
Canada

In British Columbia, the Oceans Protection Plan includes: (1) six new radars to provide more complete, accurate marine situational awareness; (2) tougher requirements for industry response to incidents; (3) a new logistics depot in Port Hardy, to house environmental response staff and equipment to ensure rapid response to spills; (4) an expanded Canadian Coast Guard; (5) a five-year project to collect and update baseline biological, ecological, social, cultural, and economic data to support effective environmental stewardship and improve our ability to react to potential incidents and spills; and (6) new Indigenous community response teams. As you also refer to marine spill liability in your correspondence, I have taken the liberty of forwarding a copy to my colleague, the Honourable Dominic LeBlanc, Minister of Fisheries, Oceans and the Canadian Coast Guard.

The National Energy Board (NEB) regulates pipeline tolls and tariffs under its jurisdiction so that they are just and reasonable. NEB decisions on tolls are not subject to the Government of Canada's approval. The NEB makes decisions on tolling after listening to the views of interested parties during tolling hearings. If you have views on tolling for the Trans Mountain pipeline, I encourage you to make them known to the NEB.

Thank you for writing.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jim Carr". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

The Honourable Jim Carr, P.C., M.P.

c.c.: The Honourable Dominic LeBlanc, P.C., M.P.

Minister of Fisheries, Oceans and the Canadian Coast Guard