

June 13, 2014

The Honorable Maggie Hassan
Governor of New Hampshire
2014 Chair of New England Governors-Eastern Canadian Premiers Conference
State House
107 North Main Street
Concord, NH 03301

Dear Governor Hassan,

We write with respect to the upcoming New England Governors and Eastern Canadian Premiers (NEG-ECP) Conference scheduled for July 13-15 this year in New Hampshire. We ask the Conference to confront growing public concern about the encroachment of tar sands into Eastern Canada and New England by pipeline, rail, barge, and as a refined fuel, and convene working committees to evaluate the threats posed by tar sands spills and evaluate standards for fuel carbon intensity in the region.

As you are likely aware, pipeline proposals in both the U.S. and Canada have focused significant public attention on the risks of transporting tar sands diluted bitumen through pipelines. Simultaneously, new research suggests that the annual influx of tar sands-derived fuels into the U.S. Northeast and Mid-Atlantic region could have a substantial climate impact that would negate the carbon pollution reductions the U.S. Northeast region has sought under its landmark Regional Greenhouse Gas Initiative.¹ Climate policies in Canada such as Quebec's greenhouse gas cap and trade system could be undermined.

Together, the transport of tar sands diluted bitumen via pipeline and the consumption of tar sands as a refined fuel is a grave risk to the region. We believe the NGA-ECP Conference should provide state and provincial decision-makers with an opportunity to understand these risks and identify policy solutions to address these pressing issues.

Pipeline proposals to carry tar sands diluted bitumen

Public concern over the transport of diluted bitumen has grown considerably in the past several years. Many of the concerns have focused on the potential impact of a spill to waterways given that diluted bitumen has different chemical properties than conventional oil.² Now that

¹ *What's In Your Tank? Northeast and Mid-Atlantic States Need to Reject Tar Sands and Support Clean Fuels*, Natural Resources Defense Council et al, January 2014, <http://www.nrdc.org/energy/files/tar-sands-northeast-midatlantic-IB.pdf>.

² "The Dilbit Disaster: Inside the Biggest Oil Spill You've Never Heard Of," Inside Climate News, June 2012, <http://insideclimatenews.org/news/20120626/dilbit-diluted-bitumen-enbridge-kalamazoo-river-marshall-michigan-oil-spill-6b-pipeline-epa>.

Enbridge's Canadian Line 9 is approved to bring tar sands to Montreal, many in the U.S. believe that the Portland Pipe Line Corporation will request permission from the U.S. State Department to reverse the flow on the Portland-Montreal Pipe Line (PMPL) in order to transport tar sands. In response, dozens of communities in Vermont, Maine, New Hampshire, and Quebec have passed resolutions in opposition to a reversal. A spill of diluted bitumen from the PMPL pipeline could threaten drinking water supplies, wildlife, fishing and other water dependent industries, and public health across New England.³

At the same time, TransCanada is moving ahead with its Energy East pipeline proposal which, if approved, would carry tar sands diluted bitumen and potentially impact hundreds of communities across all of Eastern Canada. Once diluted bitumen is loaded onto tankers there is also the possibility of a marine oil spill into both the Gulf of Saint Lawrence and the Bay of Fundy. The pipeline would also have the climate pollution impact equivalent to adding seven million new cars to Canada's roads.

An influx of tar sands into the region's refined fuel mix

A new analysis indicates that by 2020, as much as 18 percent of the U.S. northeast region's fuel supply could be derived from carbon-intensive tar sands - up from less than 1 percent in 2012.⁴ If that occurs, it would increase greenhouse gas emissions by approximately 10 million metric tons per year. This would offset the carbon pollution reductions that the region is seeking under its landmark Regional Greenhouse Gas Initiative over the next five years. Unless states take immediate action to hold the line against growing carbon emissions, and boost efforts to support the clean fuels sector, the influx of tar sands fuel would undo years of progressive climate policy.

Recommendations

We ask the NEG-ECP adopt a resolution to convene a committee of environmental agencies to develop standards and recommendations around fuel carbon intensity across the region. Last year, the NEG-ECP passed Resolution 37-3, concerning transportation.⁵ This resolution built on priorities raised at the 2012 conference to facilitate a more sustainable transportation future and identified the need to reduce greenhouse gas emissions while exploring opportunities to advance the green economy through investments in clean, efficient, and sustainable transportation. A resolution at the 2014 conference addressing the encroachment of high carbon intensity fuels like tar sands in our transportation fuel mix is correlated to, and logically evolves from, the transportation resolutions adopted at the 2012 and 2013 conferences.

³ *Going in Reverse: The Tar Sands Oil Threat to Central Canada and New England*, Natural Resources Defense Council et al., July 2013, <http://www.nrdc.org/energy/files/going-in-reverse-FS.pdf>.

⁴ NRDC, *What's In Your Tank*, p. 5.

⁵ New England Governors and Eastern Canadian Premiers 37th Annual Conference, Resolution 37-3, Resolution Concerning Transportation, September 9, 2013.

We also ask the conference adopt a resolution to more fully investigate the threats associated with the transport and spills of diluted bitumen both by pipeline, rail, and barge. Rapidly growing evidence shows that spills of diluted bitumen pose greater threats to water resources than conventional oils, with serious implications for emergency response and clean up. Major tar sands spills in Marshall, Michigan in 2010 and Mayflower, Arkansas in 2013 provide direct evidence of these unique challenges. Now is the time for state and provincial decision-makers to better understand the inherent risks of transporting diluted bitumen and options to confront and eliminate these risks.

We would also be pleased to have an opportunity to present our views and research on these issues and thank you for considering these recommendations.

Sincerely,
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