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Features for enhanced use:

- Link to the day's transcript
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Order of Appearances

Northern Gateway Pipelines Inc. (NGP) - Panel 1

Mr. John Carruthers [[B90-17 CV](#)]
Mr. Paul Fisher [[B90-22 CV](#)]
Mr. Neil Earnest [[B90-20 CV](#)]
Dr. Robert Mansell [[B91-5 CV](#)]
Mr. Roland Priddle [[B91-12 CV](#)]
Dr. Jack Ruitenbeek [[B91-15 CV](#)]
Mr. Mark Anielski [[B90-7 CV](#)]

Features for enhanced use:

- Links to reference documents provided throughout the notes
- Frequent paragraph numbers to the relevant text or discussion in the transcript

- Examination by Ms. Gaertner (continued) 24538
- Examination by Mr. Guujaaw 25421
- Examination by Ms. Williams-Davidson 25595

Examination by Brenda Gaertner for Coastal First Nations (continued)
24538

Table 5.1, Summary of Cost-Benefit Results as a table of contents

Ms. Gaertner stated that she would be using Table 5.1, the summary of cost benefit results, as a sort-of table of contents for discussions today.

**Table 5.1: Summary of Cost Benefit Results for
Base Case and Sensitivity Cases**

Components of Cost Benefit Analysis, Net Present Values at 8% (million 2012 Cdn\$)						
	Base Case	Sens # 1	Sens # 2	Sens # 3	Sens # 4	Sens # 5
Direct Cash Flows from Project						
Revenues less Investment & Operating Costs before Interest payments & after taxes	(527)	(527)	(527)	(1,053)	(1,053)	(527)
Property Taxes	427	427	427	427	427	427
Income Taxes	387	387	387	387	387	387
Adjustment for reducing unemployment	41	41	41	37	37	41
Cost from reduced volume on Mainlines	(416)	(416)	(416)	(831)	(831)	(416)
NGP "Needed" or not	0	0	0	0	(2,611)	0
Canadian Oil Price Uplift						
to Private Sector	17,851	0	3,090	3,090	3,090	17,851
to Governments	9,367	0	1,622	1,622	1,622	9,367
Cost to Cdn refineries	(3,476)	0	(851)	(851)	(851)	(3,476)
Environmental Impacts: possible Cleanup and Damages						
Other	(9)	(9)	(9)	(18)	(18)	(9)
GHG	(32)	(32)	(32)	(63)	(63)	(32)
Oil Spills: possible Cleanup & Damages						
Onshore	(22)	(22)	(22)	(45)	(45)	(6,485)
Marine Terminal	(3)	(3)	(3)	(7)	(7)	(961)
Offshore	(56)	(56)	(56)	(112)	(112)	(16,149)
TOTAL NET BENEFIT	23,533	(209)	3,651	2,582	(29)	(0)
Overall Social Rate of Return (IRR)	32.8%	7.6%	17.6%	11.4%	8.0%	8.0%
Base Case						
Sensitivity Case # 1: Without Oil Price Uplift						
Sensitivity Case # 2: Oil Price Uplift halved & only for 5 Years						
Sensitivity Case # 3: Double Costs and Halve Benefits, & only 5 years of Oil Price Uplift						
Sensitivity Case # 4: Double Costs and Halve Benefits, & only 5 years of Oil Price Uplift & NGP not Needed for Oil Transport until 2024						
Sensitivity Case # 5: Oil Spill Costs set high enough to offset all other benefits in Base Case (NPV=0)						

Costs from reduced volumes on mainlines

Table 5.1 shows the costs from reduced volumes on the mainlines as \$416 million. Surplus capacity in the mainlines is expected to begin as soon as NGP begins operation and will taper off until 2025. Mr. Fisher stated that NGP assumed the displacement would all happen on Enbridge lines, and that Enbridge “would take the hit on the revenue.”
24542

Ms. Gaertner asked for confirmation that Enbridge will not seek a toll increase to cover this cost. Mr Fisher confirmed it. A moment earlier, Ms. Gaertner had suggested that the

reduced usage on the mainlines would result in a reduction of “the taxes paid to government so taxpayers will pay some of this.”

She then asked Mr. Fisher about the displacement effect with TransCanada’s Keystone project, in which Enbridge expected would cost it \$315 million. “[You] made submissions that that was something that the NEB should be concerned about.” Why don’t you have the same concern with this project? Mr. Carruthers answered, “In this case there is no large volume alternative to accessing large growing markets. In that case there was an alternative to access the same markets that could use existing facilities. In this case the importance for the industry to reach the Pacific Rim markets, as we’ve demonstrated through the benefits, is very significant.” 24592

Canadian oil price uplift

Ms. Gaertner asked a number of questions of Dr. Mansell, many of which he denies or says is not correct. Some of them help in understanding the price uplift effect

With respect to a question about the net public loss of \$209 million shown in Table 5.1 which would be incurred if NGP were operating and there were no price uplift effect, Dr. Mansell explained that this is not a real loss, that the project still has a “social rate of return” of 7.6%, but it appears to be a loss because the table uses 8% as a benchmark net present value. 24611

Ms. Gaertner presented a quote from the President of Imperial Oil in which he said that the price differentials between Asia and the Gulf Coast will equilibrate. Mr. Earnest did not comment on it because he does not know its context. In response to the next question, he offered to explain Muse Stancil’s views as to why Asian prices for crude oil are likely to be higher than the foreign prices for crude oil in the Atlantic Basin.” 24679

Ms. Gaertner quoted from the Muse Stancil report focussing on the statements that the model was run twice for the years 2018 to 2035, one run with NGP, one without. She asked, “So your model assumes that there is no supply response to the price change for crude oil?” Mr. Easton agreed. In a later reply he notes that the non-NGP scenario does not mean no oil goes to Asia – it does, by rail, and a small amount by TransMountain. 24683

Ms. Gaertner asked a few questions related to the apparent durability of the price uplift, and not receiving answers or replies she could accept, she asked again. “So I’ll go back to the question; how can it be reasonable to assume that this project is going to result in a price lift to Enbridge and to the Canadian public for over two decades?”

Mr. Earnest said earlier, “I don’t assume anything, counsel. The estimated price lift attributable to Northern Gateway is an analytical result of the difference between two runs of an optimization model. It is not an assumption by me, it’s an analytical output.”. 24709

This time he said, “Counsel, what we have before us is a very detailed analytical analysis of the Canadian crude markets. It is my assessment that the commissioning of Northern Gateway pipeline would result in a shift to the prices for Western Canadian crude of approximately \$2 per barrel. I would point out that we are not arguing that the Northern Gateway pipeline is going to change the price of Brent in the Atlantic basin or TAPIS in Southeast Asia or the global crude prices anywhere else in the world but for within North -- Western Canada and parts of inland U.S. That's all.” 24712

Ms. Gaertner asked Mr. Earnest to provide her with the rail costs he used to determine rail pricing in his report. Defining this undertaking expanded into a lengthy discussion between Mr. Earnest, the Chairperson, and Ms. Gaertner. It is from 24719 to 24772 in the transcript. Mr. Earnest's opinion is that, “Rail is more expensive than pipeline. That's a pretty commonly accepted industry consensus.”

Forecasting uncertainties

Ms. Gaertner began a discussion about forecasting uncertainties, using price differentials in Muse Stancil between 2010 and 2012. This is a topic that was discussed at length on September 17, as Mr. Rolf is to remind everyone shortly. Once the document references are resolved, the discussion has a few interesting moments, 24803 to 24858

Mr. Earnest said, “Part and parcel of the industry is predicting or forecasting prices. Industry does this as matter of routine. They have to. It's just part of their reality and it's difficult to precisely forecast future prices. If it was an obligation to the industry that they precisely forecast future prices, it is my professional opinion that industry would not build anything. What would be the point of that?” 24833

What we're talking about here with Northern Gateway is a project with a 30-year plus economic life. So we're looking at not what the year-on-year pricing relationship necessarily will be when we're trying to estimate the benefits of this project, but what the long-term equilibrium pricing relationships are likely to be between the Asia crude prices and the U.S. Gulf Coast crude prices. 24841

Ms. Gaertner: I think we are at least on the same page that it is a highly speculative piece of work that the industry does and that you've done in this case. Mr. Earnest: That is not correct, counsel. I would not characterize it is a speculative piece of work. BG: It's a forecasting that two years out is showing high degrees of error? You've got 48 percent error in 2010 and 70 percent error in 2011. We're in 2012. That's just forecasting for two years, Mr. Earnest. This whole application requires forecasting for some 30 years. So that seems to me highly speculative.” 214846

Cost benefit analysis guidelines and benefits within Canada's borders

Ms. Gaertner quoted from Wright Mansell that “the objective [of the cost benefit analysis] is to determine whether the Northern Gateway project is in the national interest as measured by the net benefits to the collective within Canada's national borders.”

Referring to the Canadian Cost-Benefit Analysis Guide for Regulatory Proposals, she noted its concern with “benefits and costs accruing to individual residents of Canada.”

Dr. Mansell and Ms. Gaertner exchanged questions and views on this topic. Dr. Mansell commented that it is very difficult to pick out the Canadian citizens, and focussing on dividends to shareholders means you are talking about a small share of the overall benefits.

Ms. Gaertner turns to Stats Canada, and a report on operating profits and shares under foreign control, by sector from 2008 to 2010. For oil and gas extraction, it is 47.1%.
24860

Increased oil production generated by the reinvestment

Table 1 in NGP Reply Evidence ([B110-2](#)) shows the increased oil production each year from 2019 to 2048 generated by the reinvestment on both an incremental and cumulative basis

Ms. Gaertner asked if this table shows increased oil and gas production as a result of the reinvestment of \$48 billion. Dr. Mansell noted that with this table “we’ve now gone from the cost benefit analysis back to impact analysis? Because these numbers are called indirect impacts or induced impacts, they are not part of the cost benefit.” He also stated that the reinvestment is all assumed to be in the conventional oil and gas industry, and it results in 50,000 bpd daily production. 24928

Ms. Gaertner: If you had considered that increased production, would that have had effect of dampening some of the prices? Mr. Earnest’s reply is difficult to understand: “It’s my judgment that that difference, that 50,000 barrels a day times its sale price less the cost of production will swamp the -- any kind of price effect you’d see for this 1 percent in oil production.” 24692

Greenhouse gases

Dr. Ruitenbeek reiterated that the GHG impacts reflected here are exclusively those of the project, which is the pipeline, the marine terminal and the tanker operations within Canadian waters. They included the construction impacts, as well as the operational impacts of those elements. Ms. Gaertner: So not the production? Dr. Ruitenbeek: Not the production. 24971

Ms. Gaertner Did you include the GHG emission costs of the shipping condensate to Alberta? Dr. Ruitenbeek: Yes, those were included for all of the marine operations, again, within Canadian waters, as well as the condensate pipeline. 24977

Ms. Gaertner asked if NGP could calculate the greenhouse gas emissions associated with the increased production. Dr. Mansell interjected: I’m not sure why you’re talking about increased production in the cost benefit analysis. It’s only the direct costs and benefits that are included. Ms. Gaertner: That’s what you’ve decided.

Dr. Mansell then reiterates that you do not include any indirect or any induced in cost benefit analysis, and that is a standard principle within cost benefit analysis. 24984

He adds, “One of the things we have not done is factor in the reduction in emissions by moving the oil by Northern Gateway as opposed to rail. If, for example, we move the equivalent volume by rail, GHG emissions would be three times higher than by moving it by NGP.” 24987

Social cost of carbon and the Toll report

Ms. Gaertner introduced The Social Cost of Carbon by Richard S.J. Tol as an aid to questioning. It triggered a lengthy discussion in which the \$20 per tonne price for carbon dioxide equivalent used in Wright Mansell, and Tol’s \$177 per tonne for the social cost of carbon turned out to be apples and oranges. Dr. Mansell did some arithmetic and converted Tol’s valuation to approximated \$48 per tonne price for CO₂e.

There is more discussion, from 24992 to 25037

GHG pricing in National Round Table on the Environment

Ms. Gaertner noted that the carbon price in a study from the National Round Table on the Environment and the Economy is \$100 in 2020 and \$300 in 2050. She asks Dr. Ruitenbeek to comment. Discussion from 25038 – 25073.

Dr. Ruitenbeek repeated information provided when this report was introduced into questioning by Mr. Robinson on September 8. He said that these represent what would be needed to meet Canada’s commitments under the Kyoto Protocol. “Our work was thus informed by this. It’s also informed by general carbon markets, and as I described previously, we are choosing to take a crystallized price of \$20 per tonne of carbon dioxide equivalent.” 25064

Oil spills

Ms. Gaertner: Your calculations are basically the annual probability of the spill, times the average size of the spill, times your oil spill cost. Have I got your formula more or less correct? Dr. Ruitenbeek: Yes. And that is then attributed to every year of operation that the activity is being undertaken to which a net present value is then applied. And it’s that net present value that turns up in the Table 5.1. 25075

Ms. Gaertner established that the source for the probabilities was DNV Report for the Tankers Port in the Worley Parsons, for the pipelines, and Dr. Ruitenbeek added that SQRA worked with Worley Parsons for the information relating to the condensate pipeline. 25083

Ms. Gaertner confirmed that the probability of a tanker spill is .004. She then referenced Table 5 in Exhibit [B110-2](#), and noted that the average number of spills per million barrels shipped per year in the Enbridge system is .06. She then calculated the annual volume in NGP based on 525,000 bpd as 192 million barrels. Multiplying those numbers, she arrived at 11.5 spills per year in the NGP oil pipeline “which is four times as many as you’ve predicted,” she said to Dr. Ruitenbeek. 25124, 25131

In Table 5, the average size of a spill is approximately 200 barrels. In Wright Mansell, it is 600 barrels. Dr. Ruitenbeek explained that NGP used a lower spill size as the threshold for a reportable incident than did Wright Mansell. 25095

Ms. Gaertner listed six failures or ruptures on Enbridge pipelines since 2010 which spilled over 1000 barrels of oil. She then asked Dr. Ruitenbeek, “How does that work with your estimate of one large rupture every 200 years?” Dr. Ruitenbeek said, “These may be statistical numbers we can calculate.” Ms. Gaertner: “These aren’t statistical analyses; these are hard facts.” 25160

Mr. Carruthers reported that in 2011, Enbridge had 58 spills, 85% less than 10 barrels, 86% on Enbridge facilities. 25218

Spill Statistics for Enbridge's Liquids Pipelines System (1998 -2010)

Year	2010	2009	2008
Total kilometres of pipeline	24,613	22,843	20,786
Total barrels shipped	1,487,709,454	1,333,947,614	1,256,268,675
Total reportable spills ^{1,2}	80	89	80
Reportable spills per thousand kilometres of pipeline	3.25	3.90	3.85
Reportable spills per million barrels shipped	0.05	0.07	0.06
Total volume spilled (cubic metres) ¹	5,424.8	1,329.1	426.3
Total volume spilled (barrels) ²	34,122	8,360	2,681
Volume spilled per thousand kilometres of pipeline (barrels)	1,386.34	365.98	129.00
Volume spilled per million barrels shipped (barrels)	22.94	6.27	2.13

Snippet of detail from Table 5 in Exhibit B110-2
of Northern Gateway Pipelines reply evidence,
<http://tinyurl.com/9mwxu7y>

Control of the oil and gas industry

Dr. Mansell reviewed a Stats Canada report with respect to foreign ownership of Canada’s oil and gas industry. He pointed out that the report is concerned with foreign control, as distinct from ownership of shares, and that Stats Canada views control mainly as the country of residence of the ultimate foreign controlling parent corporation. In 2010, 47% of the oil and gas sector is controlled by foreigners. 25182

She stated, “You haven’t done any type of analysis on what portion of that price uplift to private sector is going to go to another country.” Dr. Mansell replied that it is greatly difficult to track ownership. When the National Energy Board required a cost benefit

analysis, they had set out some guidelines. One of the guidelines was that all companies legally operating in Canada are to be giving equal standing. 25193

Ms. Gaertner said that “You’ve made an assumption ... that the oil price uplift to the private sector in your base case ... of \$17 billion is going to the private sector of Canadians, and that’s a huge assumption, I would say, given these figures alone.” 25198

Mr. Roth interjected: “Madam Chair, ... what we have is a long series of just arguments and then would you agree.” Ms. Gaertner responded, “I think it’s useful for the witnesses to have an opportunity to respond to some conclusions that may be made in submissions so that you can hear their responses and test that response. And that’s the goal of some of my questions.” 25208

Spill probabilities

This conversation was assisted by reference to Tables 4.1, 4.2 & 4.3 in Wright Mansell ([B83-4](#)).

Table 4.1: Summary of Representative Parameters for Oil Spill Cost Calculations *

	Tanker Spill	Marine Terminal Spill	Pipeline Full Bore Rupture	Pipeline Other Spills
Mean Size	56,700 bbl	1,575 bbl	14,100 bbl	600 bbl
Return Period	250 years	61 years	240 years	4 years
Annual Probability	0.004	0.0164	0.00417	0.25
Cleanup Costs	\$15,000/bbl	\$11,000/bbl	\$4,000/bbl	\$9,000/bbl
Damage Costs	\$22,500/bbl	\$9,000/bbl	\$10,000/bbl	\$800/bbl

*Note: Estimates for Tanker and Marine Terminal Spills include condensate handling. Estimates for Pipeline are for oil pipeline. Condensate pipeline parameters are similar except mean rupture size is 5,200 bbl with 273 year return period and cleanup costs for other small spills is \$5,000/bbl.

With reference to Table 4.1, Ms. Gaertner asked for an explanation of “Return Period.” Dr. Ruitenbeek explained that it is the inverse of the annual probability. A tanker spill stands a 0.004 chance in 1 of happening in a year, or “within a period of 250 years you expect a spill of some size to occur.” He referred to Table 4.3 which is a curve showing the annual probability of a spill greater than a given size. 25223

“What’s the probability that you’re using for a tanker spill within the first 50 years of operating life of this project?” asked Ms. Gaertner. Dr. Ruitenbeek referred then to Table 4.2, which shows a calculation of what a different probability might translate into in any given operating life. For tankers operating for 50 years, the table shows a probability of .182 that a spill of non-zero size will happen. 25243

Ms. Gaertner referred to “Occurrence Rates for Offshore Oil Spills” by Anderson et al which reports on average and median spill sizes over 1000 barrels. “In the last 15 years, over 1,000 barrels, world-wide we have 59 spills. And in the U.S., we have 13, and in the Alaska system, we have four.” She asked Dr. Ruitenbeek, “How you can put your numbers into ... these hard facts on the actual spills that have occurred? And then, take it one step further ... let me know if there's any place in history you can point to that supports the figures you're using as being achievable.” 25256

Dr. Ruitenbeek provided a lengthy discourse. Statements he made are 1. his are probabilities, Anderson et al is about spill sizes, 2. looking at the median spill size, Anderson shows 9,762 barrels, he shows (Table 4.3) 39,000 barrels, four times larger (which he said penalizes the project), 3. He cannot answer her question about “any place in history”..

He added that at the outset they knew that the chance of a marine spill would be foremost on a lot of people’s mind. So they invited a number of parties, Aboriginal and non-Aboriginal coastal communities – though not everyone joined them – and that group selected DNV to do the probabilistic study. 25292

After some discussion about the sensitivity cases from Table 5.1, Ms. Gaertner summed it up as, “You haven’t done a particular analysis that shows you why you would double it or anything like that? You’ve just doubled it to show us what it would look like if it was doubled?” Dr. Ruitenbeek agreed. 25327

Ms. Gaertner proposed going through a list of items with Dr. Ruitenbeek asking him to tell her whether each item has been included in his per barrel spill costs. Dr. Ruitenbeek says his spill costs are derived from factors in the work by the IOPCF, though he increased costs for environmental damages. He also said the distinction between clean-up costs and environmental damage costs complicates this discussion, and that IOPCF speaks to actual compensated claims made on it, so it does not necessarily include or know about all or part of some factors in general or some claims specifically. 25337

For the details of this lengthy conversation, please refer to the transcript beginning at paragraph 25385. The list of items and paragraph numbers include:

- permanent or long-term damage 25386

At this point, Ms. Gaertner noted the time, said she would not finish today, so would step aside until tomorrow, September 21, to allow the Council of Haida Nation to ask their questions. 25403

Examination by Guujaaw for the Council of Haida Nation 25410

Terri-Lynn Williams-Davidson was expected to be representing the Council of Haida Nation (Haida Nation) but Ms. Williams-Davdson stated that Guujaaw would be asking the first questions. The Chairperson was surprised by this, questioned whether they would continue to proceed this way, then allowed Guujaaw to carry on.

Guujaaw opened by describing that he has learned that people from industry and corporations love their families and generally are good people. “But I think it's been a long time since all of us realized that it's nice guys that are also destroying this world.” 25421

Guujaaw began by seeking clarification on the price uplift and how that operates. 25430

This evolved into a far-ranging conversation. Guujaaw asked if the price uplift would translate into gas and oil prices at the pump. Mr. Earnest said it is unlikely. Guujaaw talked about visiting Venezuela where the gas price was 50 cents a gallon “when we were paying about a buck a litre.” Mr. Earnest explained about the domestic subsidy in Venezuela.

Guujaaw returned to the impact of the price uplift at the pump, describing the effect of Chinese or Japanese market opens up for BC crab, for example, “and they pay more and almost immediately the price in Granville Island goes up according to the -- I mean why would a crab fisherman send crabs to Granville Island when they'll get more overseas. the impact.” 25461

Private enterprise and free trade

Guujaaw noted that Venezuela can make decisions whereas “here it's all private enterprise and the companies and the corporations decide what they want to do with their oil. “I mean, this funny situation where we have oil from the Middle East coming into the eastern side and we want to ship oil out the West Coast at the same time is peculiar, but that's private enterprise, I guess, free enterprise.” 25471

Acknowledging that he was off the topic, Guujaaw spoke about visiting indigenous peoples in Peru where they were having trouble with Hunt Oil and mining companies, and 200 indigenous people were killed over pipelines.

The Chairperson asked about the relevance of his question.

Mr. Priddle's raging endorsement

Guujaaw turned to Mr. Priddle: “So Mr. Priddle, I was kind of surprised to see you sitting over there, but -- with your raging endorsement and statement in your presentation that said this is in the national interest. Is that your opinion?” Mr. Priddle replied, “Yes, sir, that's my opinion. I'm impressed with the evidence that Enbridge Northern Gateway has put forward ...” 25491

Guujaaw stated, “We don’t think we’re better or need more consideration, but it’s a kind of different kind of consideration. But if we’re all just part of the population and you’re going to weigh weigh our small population against 20 million people -- I think that’s why rights were created, so that those differences would be understood.” Mr. Priddle said, “That’s a matter for the Panel to decide.” 25497

Picking a fight against Indians

Guujaaw continued, “There’s kind of the script in getting this thing through was to have this fight against the Indians, the radical environmentalist and the national interest. And you know, municipalities and organizations all across the north have examined it, as you have, and come up with the opposite idea. I read your thing. It’s based on Mr. Mansell and the other experts here who have used the information from Enbridge, which is all suspect. You know, it’s all probabilities and presumptions and it’s made-up stuff.” 25503

The Chairperson interrupted Guujaaw to ask him to frame his questions. Guujaaw replied: Well, you gave them a chance to praise the process, so I had to respond to that, though it’s not me on trial here. The Chairperson: Nobody is on trial 25511

Guujaaw then described the Athabasca River as poisoned, fish are dying, people are dying, it’s a dead zone. Mr. Roth objected, and the Chairperson called for a break 25522

Revenues to the federal government

When they returned, Guujaaw asked Mr. Carruthers to remind them “how much money the federal government would make off a pipeline here.” Mr. Carruthers said \$44 billion over the life of the project, over 30 years, \$1.3 billion a year. 25536

Guujaaw said, “So if they take that money, turn around and buy fighter jets, is that in the national interest? You’d just give them the money and let them do what they want?” 25546

Safest way to make sure there are no spills

Mr. Carruthers talked about the view of NGP that coastal communities, Aboriginal communities could obtain benefits from the project, from working with NGP. Guujaaw replied, in part: “To your credit, Mr. Carruthers, you’ve been consistent on that from the beginning. Our people have heard you and a lot of other tribes have heard all the economic benefits and rejected this thing. You know, that’s the safest way to make sure there’s not an oil spill, is not -- is not have tankers out there.” Mr. Carruthers replied, “We can get [the risk of impacts] to zero, but we also have to, in that aspect, say we don’t want the benefits the project provides.” Guujaaw: Yeah, I think that’s what people have said. 25560

Mr. Carruthers stated that 60% of Aboriginal communities have signed up for equity in the project. He said they had not provided a list to the Panel. Guujaaw replied, “You’re making a pretty big claim there -- without anything to substantiate it and we’ve asked you for a long time to tell us who is agreeing with this. we couldn’t find them.”

Talking about a pipeline spill, Guujaaw stated, “You can't clean up these rivers once that oil gets away from you. You can't chase it down the river. Basically, your cost is in shutting it down and fixing the pipe. There's not much you could do other than that. And once it gets on the ocean, there's no -- no cleaning that up, either. There's -- there's no spill that's ever been cleaned up yet.” 25582

The Chairperson stepped in again, and Guujaaw said he was finished.

Examination by Terri-Lynn Williams-Davidson for the Council of Haida Nation 25595

Impacts on Aboriginal communities in the public interest benefit evaluation

Ms. Williams-Davidson asked Mr. Ruitenbeek, about an earlier response to counsel for the Gitxaala Nation that your public interest benefit evaluation does not give any special consideration to loss of fisheries to an Aboriginal community and that such losses are weighed equally to some other damage in a non-Aboriginal community. Dr. Ruitenbeek explained that actual losses to Aboriginal and non-Aboriginal communities, whether for cultural losses or food or subsistence uses. “to the extent that they have been included in our estimate of ecosystem goods and services on average are included within the cost benefit work.” They did not assign those as belonging to an Aboriginal or other specific interest. “The benefit cost analysis gives you an idea of the size of the pie.”

Use of Haida Nation traditional use studies

Ms. Williams-Davidson explored the matter of traditional use studies with Mr. Carruthers. He said they have at least 30, a substantial amount of information, but any more would be helpful. Referring to the voluminous information the Haida Nation had filed in December 2011, Ms. Williams-Davidson asked how it has been incorporated into various studies. 25612

Mr. Carruthers, Dr. Ruitenbeek, and Mr. Anielski all are either unable to answer the question, though Mr. Anielski said one report was inappropriate, another was about marine aspects which he did not address, and Dr. Ruitenbeek said that the Haida Nation reports are “acknowledged as being there, like I said, we actually saw those reports, but we also saw the reports from the ESA and from the recovery people.”

Ms. Williams-Davidson concluded that the Haida information has not been considered in the economic analyses. She asked Mr. Carruthers how this squares with his opening statement about “the path forward to include Aboriginal peoples and the need to receive information.” We've given that information to you and yet ... we're not working together.” 25652

Two world views

She stated, “We have on one hand a monetary world view and a world view that appreciates the value of species to culture and the spiritual connections that those species provide. Are you willing to incorporate those values into your studies? Are you willing to modify or accommodate the project to incorporate that?” 25659

Mr. Carruthers replied, “I think there's very sufficient information available now in terms of the impact on Canada. But again, that doesn't stop there. We are certainly willing and would like to work with you to continue to address concerns, to continue to look at opportunities.” 25661