

July 10, 2014

Dear community member,

I want to personally thank everyone who participated in the Part One First Nation and Métis Community Discussions held in March and April 2014, and those who provided me with written submissions and comments. For those of you who did not have an opportunity to participate in Part One, we hope you will be able to join us for Part Two.

When we met in Part One, I made a commitment to treat this report as "draft" and to invite your further comments on the report when we meet again in Part Two. I made that commitment because I want to ensure that I have accurately and fairly captured the perspectives that you shared during our meetings

I wish to acknowledge the role of the Elders at each of our discussions whose opening and closing prayers helped to open our ears, our eyes and our minds to the views of all that were present. I appreciate the passionate, thoughtful, respectful and candid input provided by all who participated in the Community Discussions and through written submissions.

Participation in Part One

I sent written invitations to attend the discussions to 50 First Nation communities, as well as 7 representatives from the Métis Nation of Ontario and 3 First Nation organizations. I also followed up with the invitees by phone. In all, approximately 70 participants attended. We also received 17 written submissions.

All meetings were open to all the Aboriginal peoples of Ontario. Métis participants signed in at meetings in Thunder Bay and North Bay. Afterwards, I received a letter from the Métis Nation of Ontario raising issues about the process.

Synopsis of What We Heard

I heard significant concerns expressed by First Nation and Métis communities in Ontario regarding this Project. It is clear that many of you are opposed to the Project, particularly as it is currently configured. Overall, participants believe there is an imbalance between those who stand to benefit (mostly entities outside of Ontario), and those who they perceive face potentially devastating and permanent environmental risks from the Project across Ontario. On balance, you told us that you see minimal short-term and long-term benefits from the Project, particularly in contrast to what many perceive to be immeasurable risk.

The top-line summary chart of the input received during the Part One First Nation and Métis Community Discussions, included as an appendix to the Part One Report, summarizes the concerns and issues I heard from each Community Discussion. This was circulated to all invitees shortly after the Part One Community

Discussions were completed and an opportunity was provided to correct anything I may have misrepresented. Appendix D to the Report includes the suggested edits that were provided to me.

The following summarizes the main themes that emerged from the Community Discussions.

1. Impact on Traditional Territories and/or Treaty and Aboriginal Rights

The Project raises issues that go to the heart of Treaty and Aboriginal Rights and the importance of the First Nation and Métis traditional territories. Of overarching concern to many is how to legally protect Aboriginal and Treaty rights, including procedural rights (i.e., the duty to consult and accommodate) and substantive rights such as the traditional land use practices. All other issues and concerns raised were secondary to these concerns being satisfactorily addressed as part of the Project approval process.

Common concern was also expressed about the National Energy Board project approval timeline. Amongst other things, it was felt that the timeline does not provide sufficient time for communities to understand the Project parameters, dimensions, risks, opportunities and implications. As such, most felt it was both impossible and unfair to expect them – or the Province – to meaningfully participate in the approval process.

Furthermore, and of great consequence to the First Nation and Métis communities, is the fact that the proposed timeline does not allow for meaningful consultation and accommodation; prevents the consideration and integration of traditional land and water use knowledge to inform environmental protection, management and compensation plans; and does not provide for meaningful negotiation and participation with regard to economic opportunities such as job training, contracting and equity participation.

2. Inequitable Sharing of Project Risks Relative to Rewards

Views and concerns related to pipeline integrity, safety and environmental protection were widely expressed. In particular, significant concerns about the possibility of oil spills/leaks, as well as issues related to water supply safety were commonly expressed. Some expressed concern that diluted bitumen may weaken pipelines at a faster rate than conventional oil. Many worried that if a spill were to occur, the impacts are neither clearly researched nor understood.

There was general concern that a pipeline built several decades ago in accordance with the engineering and safety standards of that time, and built for the purpose of carrying natural gas (not oil), is not technically sound or safe given its proximity to water. This was particularly worrisome given the uncertainty regarding the variability in oil type, quality and volume shipped over the pipeline's lifetime. There was scepticism that current Canadian Standards Association (CSA) standards do not adequately reflect what has been learnt about the behaviour and risks of shipping diluted bitumen by pipeline through diverse climatic and geological conditions.

There were many concerns raised about the Project routing along TransCanada Pipelines Limited's (TCPL) existing mainline natural gas pipeline route and within the existing Right of Way. Much if not all of the

existing route crosses, or is adjacent to, significant numbers of wetlands, tributaries and major rivers and lakes, which collectively provide drinking water to tens of thousands of Canadians. In remote areas, the detection and clean-up of any leak or spill would be difficult, particularly in the winter and especially in wetlands. Put simply: this is not seen as a suitable route for shipping heavy oil, which – when it leaks – will “behave” and cause harm in a significantly different manner than would natural gas.

Several of you also raised the concern about the lack of an overarching Canadian energy vision, which meant that upstream human and environmental impacts of the proposed Project are not being considered. In addition, there does not appear to be an understanding of the impacts of this Project on Ontario’s energy supply security and pricing. There is fear that both electricity and natural gas supply and pricing will be negatively impacted by a Project that will not serve the needs of the Ontario market but the needs of offshore markets and consumers.

Many concerns were raised about the minimal short and long-term benefits for First Nation and Métis communities along the Project route. Participants are concerned that there will be limited short-term employment opportunities associated with construction jobs and even these jobs would go to union members. Given the risks, there were suggestions that there should be revenue sharing opportunities for First Nation and Métis communities and compensation for granting access to traditional and treaty territory for the purpose of building pumping stations and the planned new portions of the pipeline. It was noted First Nation and Métis communities received no benefits from the building of the original gas pipeline through their treaty and traditional lands.

Concluding Comments & Next Steps

Once again, I want to thank all those who have participated in the Ontario Energy Board (OEB) process to date. I hope that my Part One Report accurately captures the issues raised during the Community Discussions. I know you appreciated the opportunity to come forward and express your views and concerns. I also heard clearly your expectation that the messages will be communicated and that responses will be forthcoming. I invite feedback from all who read this report to ensure that it appropriately captures the messages relayed to me.

The OEB is planning to host Part Two of the Community Discussion process to confirm the messages heard during Part One and share and discuss opportunities to address the potential impacts identified. You will receive notification of these discussions once plans are finalized.

I look forward to continuing our discussion in Part Two of this process.

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Note: Nothing in this report takes into account the Supreme Court of Canada decision of June 26, 2014, "Tsilhqot'in Nation v. British Columbia," as it was released after our Part One discussion process concluded.