



September 21, 2017

*To the CEOs of the banks that fund the enterprises of Enbridge, Inc., including Wells Fargo, Bank of Montreal, Alberta Treasury Branches, Bank of America, Bank of China, Bank of Nova Scotia, Bank of Taiwan, Bank of Tokyo Mitsubishi-UFJ, Barclays, BNP Paribas, Canadian Imperial Bank of Commerce, China Construction Bank, China Merchants Bank, Citibank, Crédit Agricole, Credit Suisse, Desjardins, Deutsche Bank, DNB, Export Development Canada, First Commercial Bank, HSBC, Huntington National Bank, Industrial and Commercial Bank of China, JPMorgan Chase, Mega International Commercial Bank, Mizuho, Morgan Stanley, National Bank of Canada, Royal Bank of Canada, Société Générale, Sumitomo Mitsui, TD, UBS, United Overseas Bank Limited, and US Bank:*

We call on your institutions to end financing Indigenous rights abuses and continued contributions towards climate change through Enbridge's unwanted and unnecessary Line 3 "Replacement" Project. We urge your institutions to take notice of the lessons learned from the Dakota Access Pipeline (DAPL), of which Enbridge is a part owner,<sup>1</sup> and decline any additional involvement with Enbridge that would facilitate financing of its Line 3 tar sands pipeline project.

***We urge your institutions not to arrange or renew business relationships, including corporate level finance and revolving credit, with Enbridge Inc. and its subsidiaries, until it ceases expanding tar sands operations.***

In particular, Enbridge US Inc.'s US \$1.48 billion credit facility, to which your bank is a lender, matures on October 17, 2017. In light of developments since that credit facility was last amended in October 2016 — especially the historic opposition of every Tribal Nation based in Minnesota to the pipeline, as detailed below — we urge you to decline renewal of or participation in this facility.

Funds such as this credit facility, which provide general corporate finance to Enbridge and its subsidiaries while the company is building Line 3, support the company in its execution of this dangerous and unjust project. Going forward, we urge all financial institutions for whom

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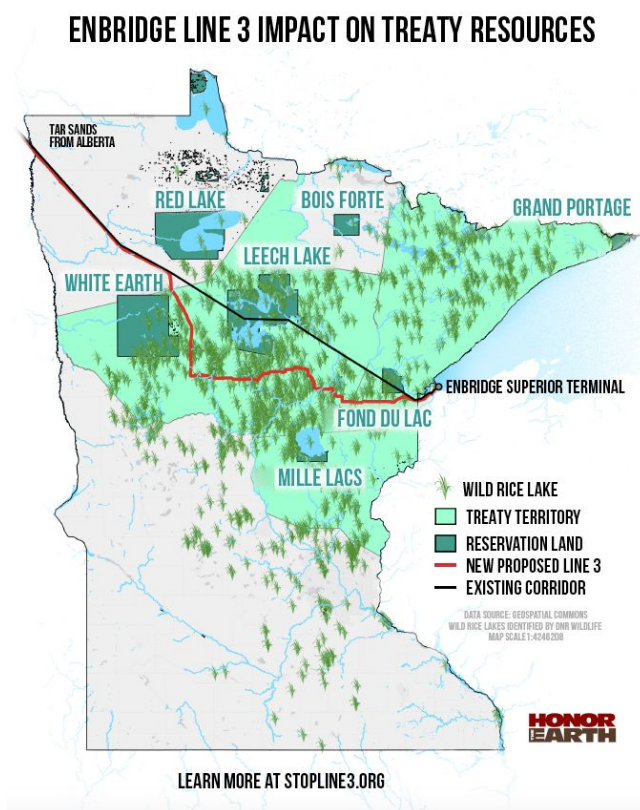
<sup>1</sup> "[Bakken Pipeline System](#)," Enbridge, accessed 1 September 2017.

Enbridge is a client to reconsider this relationship in light of the risks posed by the Line 3 pipeline.

## LINE 3 BACKGROUND

The Line 3 so-called “Replacement” Project is a proposal for a new pipeline that would cover more than 1,000 miles (1,660 km) from Hardisty, Alberta to Superior, Wisconsin,<sup>2</sup> transporting an average of 760,000 barrels of crude oil from the Alberta tar sands each day, with a capacity of 844,000 barrels per day.<sup>3</sup>

The current Line 3 pipeline carries a host of problems and with no pipeline abandonment requirements other than leaving the corroding pipe in the ground, Enbridge’s proposal will leave a lasting legacy of contamination. Instead of cleaning up its old mess, Enbridge instead proposes a brand new route for its new pipeline, creating a destructive corridor through the headwaters of the Mississippi River, the heart of Minnesota’s lake country, wetlands, and some of the largest and most productive wild rice beds in the world.



## INDIGENOUS RIGHTS & OPPOSITION TO LINE 3

As with DAPL — a highly controversial project constructed without the free, prior and informed consent of the Standing Rock Sioux Tribe and other tribal nations whose lands are directly impacted by the pipeline route and source their drinking water from the Missouri River — the Line 3 pipeline also poses a grave threat to Indigenous rights.

The five directly impacted tribes along the proposed route are the White Earth Band of Ojibwe, Mille Lacs Band of Ojibwe, Fond du Lac Band of Lake Superior Chippewa, Red Lake Band of Ojibwe, and Leech Lake Band of Ojibwe. The Line 3 pipeline project risks violating treaty rights of the Ojibwe peoples to gather wild rice, hunt, and fish, in tandem with serious environmental impacts and cultural destruction.

<sup>2</sup> “[Line 3 Replacement Program](#),” Enbridge, accessed 1 September 2017.

<sup>3</sup> Mike Hughlett, “[Enbridge’s New Pipeline Across Northern Minnesota Not Needed, State Says](#),” Star Tribune, 11 September 2017.

The proposed route would pierce the heart of the 1855 Treaty territory, where members of signatory Ojibwe bands retain the rights to hunt, fish, harvest wild rice, hold ceremony, and travel.<sup>4</sup> Wild rice is the only plant specifically mentioned in any Indian treaty with the United States, in recognition of it being a fundamental and central component of Ojibwe culture and identity. If the wild rice beds of the Ojibwe people in this area are destroyed, the cultural impacts would be devastating.

On ceded territory (off-reservation), Ojibwe tribal members retain property rights to “make a modest living from the land.” These use-rights are called usufructuary rights,<sup>5</sup> and are guaranteed by the treaties between Ojibwe bands and the U.S. government, protected by the U.S. Constitution, and affirmed by the U.S. Supreme Court. They include the rights to hunt, fish, gather medicinal plants, harvest and cultivate wild rice, and preserve sacred or culturally significant sites. The proposed new Line 3 pipeline in northern Minnesota violates the treaty rights of the Anishinaabeg by endangering critical natural resources in the 1854, 1855, and 1867 treaty areas.<sup>6</sup> Pipelines are susceptible to leaks — Enbridge has spilled over 40,000 barrels of hazardous liquids since 2010, with catastrophes like Enbridge’s one million gallon spill in 2010 on the Kalamazoo River as a grave example.<sup>7</sup> The Line 3 pipeline threatens the culture, way of life, and physical survival of the Ojibwe people.

The five tribes along the proposed route are joined by Honor the Earth, Sierra Club, Friends of the Headwaters, Northern Waters Alliance, several landowners, and a group of youth, as intervenors in the Minnesota Public Utility Commission’s (PUC) permitting process for the pipeline. Despite the fact that Minnesota has not finalized the legal, public or environmental permitting process for Line 3, Enbridge has already started construction on either end of the new pipeline, in Canada and Wisconsin. Construction on the 14-mile stretch of the pipeline in Wisconsin has already sparked protests and arrests that are ongoing.<sup>8</sup> A growing number of water protectors are gathered at camp in Wisconsin to use nonviolent direct action to oppose Line 3, marking the beginning of a sustained direct action campaign from Indigenous groups and their allies.<sup>9</sup>

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<sup>4</sup> “[Stop Line 3](#),” accessed 1 September 2017.

<sup>5</sup> Peter Erlinder, “[The Anishinabe Nation’s “Right to a Modest Living” From the Exercise of Off-Reservation Usufructuary Treaty Rights .... in All of Northern Minnesota](#),” accessed 1 September 2017.

<sup>6</sup> “[TREATY RIGHTS AND OIL PIPELINES: What You Need To Know](#),” Honor the Earth, accessed 1 September 2017.

<sup>7</sup> “[Four Proposed Tar Sands Oil Pipelines Pose a Threat to Water Resources](#),” Greenpeace USA, August 2017.

<sup>8</sup> “[6 Oil Pipeline Protesters Arrested in Northwestern Wisconsin](#),” AP / U.S. News and World Report, 30 August 2017.

<sup>9</sup> Brady Slater, “[Enbridge Pipeline Protesters lock down site in Wisconsin](#),” West Fargo Pioneer, 14 September 2017.

The Treaty Alliance Against Tar Sands Expansion, comprised of more than 150 First Nations and Tribes,<sup>10</sup> stands in committed opposition to Line 3, and to all tar sands pipelines crossing their traditional lands and waters,<sup>11</sup> calling for an international campaign to divest from any financial institution that funds tar sands pipelines.<sup>12</sup> Partner organizations and Indigenous communities around the world are supporting this call and meeting with investors, shareholders, and banking institutions that continue to fund fossil fuel expansion and cultural destruction.

Moreover, the massively destructive tar sands extraction process that would feed this pipeline occurs in Canada on Dene, Cree and Métis traditional territories throughout Treaty 8 and Treaty 6 lands, including Athabasca Chipewyan First Nation (ACFN) traditional lands, which see the bulk of current extraction.<sup>13</sup> Oil from the Athabasca directly feeds into the Hardisty terminal where Line 3 picks up.<sup>14</sup> The ACFN have been at the forefront of challenging existing and proposed tar sands projects in Alberta, in particular in the Athabasca area. Massive in-situ and steam-assisted gravity drainage expansion plans are also being developed in the Peace and Cold Lake areas<sup>15</sup> — facing vocal opposition from the Lubicon Cree and the Beaver Lake First Nations, respectively.

## **NEW FINDING: NO NEED FOR THE LINE 3 PIPELINE**

On the regulatory front, on September 11, 2017, the Minnesota Department of Commerce submitted testimony to the Minnesota PUC, finding that the new pipeline is simply not needed.<sup>16</sup> The Commerce Department's submission was summarized by the Associated Press:<sup>17</sup>

In light of the serious risks of the existing Line 3 and the limited benefit that the existing Line 3 provides to Minnesota refineries, Minnesota would be better off if Enbridge proposed to cease operations of the existing Line 3, without any new pipeline being built.

In the Commerce Department's public statement, they conclude that:

Enbridge has not established a need for the proposed project; the pipeline would primarily benefit areas outside Minnesota; and serious environmental and socioeconomic risks and effects outweigh limited benefits.

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<sup>10</sup> ["TREATY ALLIANCE FIRST NATIONS AND TRIBES WARN THAT THERE WILL BE NO NEW TAR SANDS PIPELINES,"](#) Treaty Alliance Against Tar Sands Expansion, 11 August 2017.

<sup>11</sup> ["Treaty Alliance Against Tar Sands Expansion."](#) Treaty Alliance Against Tar Sands Expansion, accessed 20 May 2017.

<sup>12</sup> ["Mazaska Talks,"](#) Mazaska Talks, accessed 20 May 2017.

<sup>13</sup> ["Who Are the ACFN?,"](#) Athabasca Chipewyan First Nation and the Tar Sands, accessed 20 May 2017.

<sup>14</sup> ["Our Assets - Liquid Transportation and Storage,"](#) Enbridge, accessed 1 September 2017.

<sup>15</sup> ["Alberta's Oil Sands Projects and Upgraders,"](#) Oil Sands Operations, Alberta Energy, February 2017.

<sup>16</sup> ["After extensive review, Minnesota Commerce Department releases expert analysis and recommendation on the certificate of need for Enbridge's proposed Line 3 oil pipeline project,"](#) Minnesota Department of Commerce, 11 September 2017.

<sup>17</sup> Steve Karnowski, ["Minnesota Commerce Department recommends against Line 3 plan,"](#) Associated Press, 12 September 2017.

## LINE 3'S IMPACT ON THE CLIMATE

Financial support for Enbridge not only facilitates the negative direct impacts of Line 3, but will also facilitate expanded tar sands extraction, and therefore increase greenhouse gas emissions. Existing tar sands pipelines can support current and under-construction production in Alberta. Any new pipeline infrastructure, such as this so-called Line 3 “replacement”, will facilitate new tar sands production — expanded extraction that is demonstrably incompatible with Canada’s climate commitments and the goals of the Paris Climate Agreement.<sup>18</sup>

Tar sands oil is significantly more carbon-intensive than conventional oil, because of the additional steps required to process it — and that intensity is worsening rather than improving.<sup>19</sup> Additionally, as tar sands production is much more capital-intensive and long-lived than other conventional oil production, investment now threatens to lock in production for decades, at a time when the sector should be in a managed decline on a path toward a zero-carbon economy.

## THE DAKOTA ACCESS PIPELINE: LESSONS FOR BANKS

Participation in projects like Line 3, as well as general support for the companies building them, can bring significant reputational risks, as banks have learned the hard way. As a result of the controversy around DAPL, banks involved in the project have taken steps such as selling their shares in the DAPL project finance loan,<sup>20</sup> stopping new business with Energy Transfer Partners (ETP),<sup>21</sup> and publicly acknowledging regret over financing the project.<sup>22</sup>

Investors have taken action as well: Norwegian-based Kommunal Landspensjonskasse (KLP) divested an estimated \$70 million in ETP, Phillips 66, Enbridge Inc., and Marathon Petroleum Corporation in March 2017.<sup>23</sup> When pressed, KLP affirmed that this decision was based on “an unacceptable risk of contributing to serious or systematic human rights violations.”<sup>24</sup>

Banks that financed the ETP family of companies were also spotlighted for their role in supporting DAPL via general corporate finance. The Line 3 pipeline presents your banks with a strikingly similar choice: will your institutions continue to finance another company whose business plans threaten Indigenous rights and worsen climate change, and will be fiercely opposed by a broad range of Indigenous, environmental and community groups? We urge you to avoid the reputational and financial risk of supporting this destructive project, and to follow

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<sup>18</sup> Adam Scott, “[Climate on the Line: Why New Tar Sands Pipelines Are Incompatible With the Paris Goals](#),” Oil Change International, 19 January 2017.

<sup>19</sup> Benjamin Israel, “[Measuring Oilsands Carbon Emissions Intensity](#),” The Pembina Institute, August 2016.

<sup>20</sup> “[DNB Has Sold Its Part of Dakota Access Pipeline Loan](#),” DNB, 26 March 2017; BNP Paribas, “[BNP Paribas Exits Dakota Access Pipeline](#),” Nasdaq Global Newswire, 5 April 2017.

<sup>21</sup> “[ING Has Sold Its Stake in Dakota Access Pipeline Loan](#),” ING, 21 March 2017.

<sup>22</sup> “[Citi Meeting Protest Prompts Apology on Pipeline Finance Steps](#),” Reuters, April 25, 2017.

<sup>23</sup> “[Nordic investors reject Dakota pipeline operator’s allegations](#),” Reuters, 29 August 2017.

<sup>24</sup> “[KLP excludes companies involved in Dakota Access Pipeline](#),” KLP, accessed 1 September 2017.

through on your institution's' commitments to supporting the goals of the Paris Climate Agreement and respecting human rights, especially those detailed in the U.N. Declaration on the Rights of Indigenous Peoples.<sup>25</sup>

## CONCLUSION

As we have noted in previous communications, additional pipelines of concern include TransCanada's Keystone XL and Energy East, and Kinder Morgan's Trans Mountain. In order to future-proof against involvement in these controversial, climate-wrecking pipelines, as well as the massively destructive extraction projects that feed them, we urge you to exit completely from the tar sands sector. Additionally, we call on you to adopt, as part of your project and general corporate financing policies, a requirement to obtain and document the free, prior and informed consent of Indigenous communities. These are crucial steps to align your institutions with a stable climate and respect for Indigenous rights.

Sincerely,

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Honor the Earth

Tara Houska (Couchiching First Nation), National Campaigns Director  
Honor the Earth

Dallas Goldtooth, Keep It in the Ground Campaigner  
Indigenous Environmental Network

Matt Remle (Lakota)  
Last Real Indians & Co-Founder Mazaska Talks

Rachel Heaton (Muckleshoot Tribe), Co-Founder  
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Judith Leblanc (Caddo), Director  
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Grand Chief Serge Otsi Simon, Mohawk Council of Kanesatake  
Treaty Alliance Against Tar Sands Expansion

Michelle Cook, J.D.  
Honágháahnii (Diné Nation)

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<sup>25</sup> "[United Nations Declaration on the Rights of Indigenous Peoples](#)," United Nations, March 2008.

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