

PRESS RELEASE
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**Transporting and processing tar sands crudes will have minimum
benefits for Quebec**

Montreal, June 2, 2014 - The Goodman Group, Ltd., a consulting firm specializing in energy economics, in collaboration with Greenpeace and Équiterre, has released a report that demolishes the oil industry's claims regarding economic benefits for Quebec of moving and refining tar sands crudes. The report, entitled "Economics of Transporting and Processing Tar Sands Crudes in Quebec," demonstrates that the benefits for Quebec would be insignificant and refutes several myths perpetuated by the industry proponents.

The report has determined that the overall contribution of the crude oil sector is 0.50% (or less) of the total Quebec economy and 0.30% (or less) of total Quebec jobs. Even if all proposed tar-sands-related projects in Quebec were approved, their economic contribution relative to operating activities would remain negligible: the **entire** crude oil sector would likely remain about 0.50% (or less) of the total economy and 0.30% (or less) of total Quebec jobs.

Industry favours pipelines for moving oil because they are inexpensive and not labour-intensive. This explains why their economic contribution is so small. In fact, every million dollars invested in pipeline construction and refinery upgrade projects creates approximately 8 person-years of employment in Quebec. By way of comparison, the same amount invested in building green energy installations creates 15 jobs.

In contrast to the minimal economic benefits, a major pipeline rupture could have a huge impact on the environment, waterways, human society and public safety, as demonstrated by the spill in Kalamazoo river, Michigan, in 2011 and the tragic explosion in Qingdao, China, last December. "Quebec will bear almost all of the risks and costs associated with spills and other environmental impacts, without any offsetting economic gains," says Brigid Rowan, Senior Economist with the Goodman Group, Ltd., and co-author of the report.

“The growth in tar sands production related to TransCanada’s Energy East project will increase our greenhouse gas emissions by 32 million tons annually, the equivalent of seven million cars per year,” says Steven Guilbeault of Équiterre. “It’s high time that our governments took action to protect Canadians from the impacts of climate change by restricting the expansion of the tar sands,” he adds.

Once again, an economic report has underscored how critically important it is for Quebec to reject these proposed pipeline projects. “Quebec is taking a step backwards with this high-risk unhealthy economic development strategy. It should instead continue to move towards a sustainable future by increasing investments in energy efficiency, renewable energy, public transit and transportation electrification. Not only would clean energy investments reduce environmental and risk externalities, but they would allow Quebec to reap more significant and longer-lasting economic development benefits,” says Ian Goodman, President of Goodman Group, Ltd., and co-author of the report.

“If the reversal of Enbridge’s Line 9B goes ahead, significant quantities of tar sands crudes will move to and through Quebec for the first time. In the current Canadian context Quebec can play a key role: if the province rejects the pipeline projects, then tar sands expansion will be constrained -- allowing more time for the emergence of green alternatives. Moreover, Quebec has tremendous risk exposure from Energy East, as this pipeline will use Quebec as a conduit to export enormous quantities of dirty oil from the tar sands”, says Patrick Bonin of Greenpeace Canada.

To download the report :

http://www.equiterre.org/sites/fichiers/economics_of_transporting_and_processing_tar_sands_crudes_in_quebec_a_final.pdf

About the authors:

Energy economists, Ian Goodman and Brigid Rowan, demonstrated to the American media and the Obama Administration that proponents of the Keystone XL pipeline had greatly exaggerated the economic development benefits (jobs in particular) of the project. In this report, they demolish similar myths surrounding the economic and employment benefits for Quebec of the eastbound pipeline projects; and discuss why these benefits are tiny compared to the potential risks and costs. Based in Ottawa and

Montreal, Brigid Rowan, Senior Economist at the Goodman Group Ltd., has over 20 years of experience in the areas of energy and regulatory economics, energy efficiency and renewables. US-based Ian Goodman, the President and founder of The Goodman Group Ltd., has conducted research and consulted in energy regulation and economics for over 35 years throughout North America.

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