



**LABORERS DISTRICT COUNCIL  
MINNESOTA AND NORTH DAKOTA**

Affiliated with Laborers International Union  
of North America

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TODD T. PUFAHL  
President & Business Manager

July 10, 2017

**Via Electronic Filing**

Mr. Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
Saint Paul, MN 55101-2147

Re: In the Matters of the Applications of Enbridge Energy for a Certificate of  
Need and Pipeline Routing Permit for the Line 3 Replacement Project;  
MPUC Dockets Nos. PL-9/CN-14-916 and PPL-15-137; OAH Docket Nos.  
11-2500-32764 and 65-2500-33377

Dear Mr. Wolf:

The Laborers District Council of Minnesota and North Dakota, Intervenors in the  
above-referenced matters, respectfully submits these comments regarding the  
Draft Environmental Impact Statement for the proposed Line 3 Replacement  
Project.

We have electronically filed this document with the Minnesota Public Utilities  
Commission, and copies have been properly served on the parties on the attached  
service list.

Thank you for your attention to this matter.

Sincerely,

Kevin Pranis  
Marketing Manager

Enclosures

c: Persons on the Service List

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matthew Schuenger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

IN THE MATTER OF THE APPLICATION OF  
NORTH DAKOTA PIPELINE COMPANY LLC  
FOR A CERTIFICATE OF NEED AND PIPELINE  
ROUTING PERMIT FOR THE LINE 3 REPLACEMENT  
PROJECT IN MINNESOTA

MPUC Dockets Nos. PL-9/CN-14-916  
and PPL-15-137  
OAH Dockets Nos. 11-2500-32764  
and 65-2500-33377

**LABORERS DISTRICT COUNCIL OF MINNESOTA AND NORTH DAKOTA'S  
COMMENTS ON THE LINE 3 REPLACEMENT PROJECT DRAFT  
ENVIRONMENTAL IMPACT STATEMENT**

The Laborers Union of Minnesota and North Dakota (“Laborers Union”) wants to begin by thanking the Department of Commerce for producing a Draft Environmental Impact Statement (DEIS) that meets and exceeds the requirements of state law. The DEIS is comprehensive, covering the full range of potential environmental impacts of Enbridge’s Line 3 Replacement project and proposed alternatives in exhaustive detail. At the same time, the release of the DEIS is timely, providing ample opportunity for public input and a final decision within the 280-day time frame established by state law.

The DEIS reinforces the Laborers Union’s view that the project is both critically necessary and the best option for protecting Minnesota’s communities and environment. We believe that Replacing Line 3 is crucial to the safety and reliability of Minnesota’s pipeline infrastructure, and we appreciate the work done by the Department of Commerce to create a comprehensive DEIS in a timely fashion, which should allow the Public Utilities Commission to address the issue within the 280 timeline established by state law.

The DEIS shows that Line 3 is old and out-of-date, and that the proposed replacement would protect Minnesota’s lakes, rivers, and streams by reducing spill risk nearly 40%. Protecting the natural environment is

important to our members because so many of us hunt, fish, and enjoy the outdoors, and we're committed to having pipelines operated safely.

Minnesota depends on Line 3 for the fuel that keeps the state moving. If anything happened to the pipeline, our members and contractors would be hardest hit. Construction workers often drive long distances to reach job sites, and fuel is a major factor in construction costs. The proposed Line 3 Replacement would help to prevent shutdowns or other impacts that would harm area consumers. The DEIS shows that alternative modes of transport are neither viable nor preferable to replacing Line 3

Finally, the pipeline industry is a leading source of the quality, family-supporting jobs that are in increasingly short supply in Northern Minnesota. It's not just construction workers: pipelines employ engineers, inspectors, technicians, marketers, etc. The Line 3 Replacement will keep our pipelines operating safely and efficiently so we keep Northern Minnesota working.

As stated previously, we believe that the DEIS is substantially complete with respect to analysis of environmental impacts, but we have identified a handful of areas where the document falls short in its review of the potential economic and community impacts of the project and proposed alternatives.

Construction job impacts. The analysis of construction job impacts in the DEIS is based on the flawed assumption that the project would not create any local construction jobs, and would instead be built by non-local workers. The document makes clear that a non-local workforce is a hypothetical placeholder rather than a finding or even a prediction about the project.

Nonetheless, it is disappointing that the authors clearly did not consult sources with expertise in the staffing of pipeline construction projects, including organizations such as the Laborers Union that participate actively in the Line 3 permitting process. Our members could have explained that local hiring is not only commonplace, but actually required under our Collective Bargaining Agreement (CBA), which specifies that contractors hire at least half of their workforce through local union hiring halls.

It would be more realistic to assume, based on past projects, that at least half of the construction jobs on the project will be held by Minnesota residents, and that Northern Minnesotans will account for a third of the workforce. This is likely to be true, not only because our CBA requires local hiring, but also because Minnesota has a heavy concentration of skilled

pipeliners, including many who typically work out-of-state but would return home to work on Line 3.

The document's non-local workforce assumptions skew the report's findings on community and economic impacts, exaggerating the potential strain created by a traveling workforce and understating the short- and long-term economic impacts of the payroll, benefits, and career opportunities that the project would generate for local residents. This shortfall could be corrected through the use of more realistic local hiring assumptions, which we and other pipeline unions could help to substantiate.

In addition to correcting assumptions concerning the residence of the workforce, we suggest that the DEIS make a greater effort to articulate the collateral benefits that can be produced by a union construction project such as the Line 3 Replacement. For example, in addition to union paychecks, hours worked on the project will provide high-quality family health coverage for hundreds of union households, as well as pension contributions that help to pre-fund a dignified retirement.

On a typical project, benefits for a pipeline laborer could include 13 months of fully-paid family health care and over \$10,000 in pension contributions. Further, large projects such as the Line 3 Replacement typically create new opportunities for local residents without previous union construction experience to begin construction careers. In fact, many Minnesota residents currently working on pipeline projects elsewhere got their start on a big local project such as the Alberta Clipper pipeline.

Our union would be happy to provide Department of Commerce staff and consultants with additional information about our experience with local hiring and the collateral benefits of employment in the union pipeline construction industry.

No-Action Alternative: The DEIS provides a fairly thorough comparative analysis of the spill risks associated with proposed project and its alternatives, but we believe that the document understates risks associated with the No-Action Alternative for two reasons.

First, the analysis lumps Line 3 with other aging pipelines for the purpose of calculating a spill incidence rate, ignoring the extensive evidence and analysis filed in Enbridge's direct testimony which show that Line 3 faces integrity challenges that are much greater than aging peer lines, including Enbridge lines located in the same corridor.

By simply treating L3 as an “old” pipeline rather than a line with a unique set of problems, the DEIS underestimates the risks posed by the No-Action alternative and the relative benefit of replacement. Laborers Union members who have worked on Line 3 can testify to these unique challenges. As one member put it:

“You look at the pipe and you can see the problems with the materials they used and how it was installed. We haven’t built pipelines that way in my lifetime. It’s in much worse shape than other Enbridge pipelines I’ve seen, the tape coating has mostly come off and there’s corrosion and cracking all over.”

Second, while the DEIS provides extensive analysis of spill risks, there is relatively little information on the potential impact of a Line 3 shutdown that could occur as the result of a spill, spill-prevention efforts, or other operational problems. Line 3 is a major source feedstock for area refineries that provide thousands of jobs and fuel for millions of Minnesota residents, and any disruption could have an immediate impact on local jobs, fuel prices, and fuel supplies.

Rail Alternatives. We have learned over the past few years what can happen when rail lines get crowded with oil tankers, but the DEIS apparently makes no mention of how the rail alternative could lead to more accidents and injuries at rail crossings. The US State Department has looked at this issue in their Keystone analysis, and MnDOT has done the same. We recommend that the DEIS incorporate the findings of these reviews, which show that shifting crude oil from pipelines to rail lines is likely to be directly associated with an increase in injuries and fatalities at rail crossings.

SA-04 – Pipeline to Nowhere. We anticipate that other parties may have other areas where they would like to see expanded analysis. One that we do not recommend is further review of SA-04, a so-called system alternative that we believe does not deserve consideration because it serves no purpose. The problem with SA-04 should be obvious: it not only fails to meet Enbridge’s need to make deliveries of crude oil at existing terminals in Clearbrook, MN and Superior, WI, but even worse, would cut off Enbridge’s Minnesota customers – including the Pine Bend and St. Paul Park refineries that supply the bulk of the region’s gasoline – from Line 3 shipments. SA-04 is, in effect, a pipeline to nowhere, and we believe that resources would be better spent investigating impacts of alternatives that at least theoretically serve the need and might be built.