



Canadian Ecumenical
Justice Initiatives /
Initiatives œcuméniques
canadiennes pour
la justice

Members

Anglican Church of Canada
Canadian Catholic Organization for
Development and Peace
Canadian Conference of
Catholic Bishops
Canadian Religious Conference
Christian Reformed Church in
North America (Canada Corporation)
Evangelical Lutheran Church
in Canada
Mennonite Central Committee
of Canada
The Presbyterian Church in Canada
The Primate's World Relief and
Development Fund (PWRDF)
Religious Society of Friends (Quakers)
United Church of Canada

Membres

L'Assemblée annuelle canadienne
de la Société religieuse des amis
La Conférence des évêques
catholiques du Canada
Le Comité Mennonite Central
La Conférence religieuse canadienne
Développement et paix
L'Église anglicane du Canada
L'Église évangélique luthérienne
du Canada
L'Église presbytérienne au Canada
L'Église réformée chrétienne en
Amérique du Nord
(Société canadienne)
L'Église unie du Canada
Le fonds du primat pour le secours
et le développement mondial

129 St. Clair Ave. W.
Toronto Ontario
Canada M4V 1N5
tel: 416.463.5312
toll-free: 1.877.403.8933
fax: 416.463.5569
www.kairoscanada.org



March 27, 2008

S. Barry Jackson
Chair, Board of Directors
TransCanada Corporation
450 - 1 Street SW
Calgary, AB T2P 5H1

SENT BY FAX AND MAIL

**Re: North Central Corridor Pipeline and the Lubicon Lake
Indian Nation**

Dear Mr. Jackson,

I am writing on behalf of our members to express deep concern over TransCanada Corporation's failure to consult fully and properly with the Lubicon Lake Indian Nation before applying for regulatory approval of the North Central Corridor (NCC) Pipeline.

KAIROS unites eleven Canadian churches and religious organizations in faithful witness for justice and peace. As faith-based investors, we are committed to faithful stewardship of our financial resources and seek to invest in companies that share our values regarding economic justice, ecological sustainability and respect for the rights of marginalized peoples.

For many years, Canadian churches have supported the Lubicon struggle for justice through our ecumenical social justice coalitions. In 1975, Canadian churches formed the Taskforce on the Churches and Corporate Responsibility (TCCR) to engage in shareholder dialogue and action on issues of common concern. As early as 1983, TCCR initiated dialogue with companies engaged in oil and gas extraction or pipeline construction on Lubicon land. KAIROS continues this tradition of solidarity and faith-based shareholder action.

We are well aware of the unresolved jurisdictional dispute between the Lubicon people and the federal and provincial governments, and that the NCC Pipeline crosses through the disputed territory.

As TransCanada shareholders, some KAIROS members have also been made aware of the Lubicon Nation's submission to the Alberta Utilities Commission (AUC), which states, in part:

During meetings between the Lubicon Lake Indian Nation and representatives of TransCanada over an eight month period, Lubicon representatives made clear that they would oppose construction of the

proposed North Central Corridor Pipeline unless and until representatives of TransCanada agreed to respect recognized Lubicon land rights and answered Lubicon questions pertaining to pipeline construction and operation prior to making application to a provincial regulatory agency. TransCanada has never answered Lubicon questions regarding construction and operation of the North Central Corridor Pipeline despite repeated promises by TransCanada representatives that those questions would be answered by someone they would bring to a subsequent meeting.

Given this, we are deeply concerned by management's public statement at the time of filing the license application that during "extensive consultation" with First Nations communities there were "no objections" to the project.

We are disturbed by the company's decision to proceed with an application to the AUC for approval of the NCC project as is, without having concluded discussions with the Lubicon Nation. Such discussions could have led potentially to modifications of the pipeline route, the pipeline's structure, or health, safety or environmental precautions associated with pipeline construction and operation, all of which are under consideration by the AUC for approval. If the AUC approves the pipeline as currently presented to them, any further discussions with the Lubicon are pointless since the project has already been approved and, presumably, would be underway.

Notwithstanding the legal duty to consult and all that it normally implies for company operations, there are in this instance a number of international human rights decisions that should also be of concern to management. The United Nations Human Rights Committee has twice ruled on the Lubicon issue and has explicitly called on Canada to ensure that the Lubicon were adequately consulted "before granting licenses for economic exploitation of the disputed land, and ensure that in no case such exploitation jeopardizes the rights recognized under the [International] Covenant [on Civil and Political Rights]."

The company's actions should also be guided by the United Nations Declaration on the Rights of Indigenous Peoples, adopted in September 2007, which formally recognizes the right to free, prior and informed consent (FPIC). Indeed, Article 32 of the Declaration affirms the state's duty to consult with indigenous peoples and "obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources."

Several religious institutions holding TransCanada shares – including the Canadian Friends Service Committee (Quakers), the Evangelical Lutheran Church in Canada's (ELCIC) Pension Plan for Clergy and Lay Workers, the Primate's World Relief and Development Fund (PWRDF), le Fonds gabriéliste (Frères de Saint-Gabriel), le Fonds Marguerite-Bourgeoys (Congrégation de Notre-Dame), and les Soeurs du Bon-Conseil de Chicoutimi – are concerned that management's handling of this situation may constitute an undisclosed and poorly managed risk to our investments.

How these issues are managed could very well have significant impacts on TransCanada's public image, its ability to secure financing or insurance, or anticipated regulatory decisions. One need only look at the delays and difficulties faced by other

northern pipelines to see that failure to adequately address indigenous land rights along the pipeline route has the potential to delay, or even terminate, a project.

More to the point, however, this situation constitutes an unacceptable response to a serious, internationally recognized human rights issue that pertains directly to the operations of the company. This is deeply troubling to us.

We expect that this situation will be of concern to other shareholders as well. We hope that, by the time shareholders gather on April 25 in Calgary for this year's AGM, management will be able to report a satisfactory resolution of this issue.

Sincerely,

[ORIGINAL SIGNED]

Mary Corkery, Executive Director
KAIROS: Canadian Ecumenical Justice Initiatives

Cc: Chief Bernard Ominayak, Lubicon Lake Indian Nation
Br. Pierre Viau, Regroupement pour la responsabilité sociale et l'équité (RRSE)
Rev. David Schilling, Interfaith Center on Corporate Responsibility (ICCR)