



# Inside the Big Oil Playbook

**Strategies and Tactics Used in the Industry's Battle to Ship Tar Sands Oil Out of Casco Bay**



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## Strategies and Tactics Used in the Industry's Battle to Ship Tar Sands Oil Out of Casco Bay



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# Table of Contents

<b>Executive Summary</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>8</b>
<b>The Tar Sands Threat to Maine</b> .....	<b>10</b>
South Portland Residents Attempt to Ban New Tar Sands Oil Infrastructure .....	11
Big Oil Steps in to Defeat the Waterfront Protection Ordinance.....	13
<b>The Big Oil Playbook: Strategies and Tactics Used Against the Waterfront Protection Ordinance</b> .....	<b>14</b>
Spend Big to Defeat the Waterfront Protection Ordinance .....	14
Downplay the Role of Out-of-State Big Oil Interests .....	16
Deny the Existence of Any Plans to Export Tar Sands from Maine .....	19
Manufacture and Play Up Economic Fears .....	21
<b>Conclusion</b> .....	<b>23</b>
<b>Appendix</b> .....	<b>24</b>
<b>Notes</b> .....	<b>26</b>

# Executive Summary

For the last decade, the world's largest oil corporations have developed one of the most extensive industrial operations in the world: the extraction and processing of tar sands (natural bitumen) in northeastern Alberta, Canada. Tar sands oil (diluted bitumen) is more carbon intensive than conventional oil and nearly impossible to clean up when spilled into waterways.

Public opposition to the extraction and transportation of tar sands oil has grown significantly in the last five years, most notably in response to TransCanada's Keystone XL pipeline proposal, which would pipe tar sands oil through the heartland of America, across valuable cropland and one of the nation's most critical aquifers. In response to mounting grassroots resistance against Keystone XL and other proposals to transport tar sands, the American Petroleum Institute (API), Big Oil's Washington, D.C., lobbying arm, has led aggressive "astroturf" (or phony grassroots) campaigns to try to thwart local opposition to the industry's tar sands plans.

South Portland, Maine, became what the *Bangor Daily News* described as "ground zero" for the tar sands debate when residents, in partnership with several statewide environmental groups, qualified a ballot initiative to stop the oil industry from establishing Portland Harbor as the U.S. East Coast shipping hub for tar sands' entry into the global energy market.<sup>1</sup> In response, Big Oil launched a massive, \$750,000 campaign to defeat the initiative in a city of just 25,000 people, spending the equivalent of \$168 for every "no" vote. Big Oil ultimately prevailed by a margin of 192 votes.

Big Oil's campaign to defeat the South Portland ballot initiative, the Waterfront Protection Ordinance, is a case study of the tools and tactics Big Oil has already used, and can be expected to use in the future, to keep alive the possibility of shipping tar sands oil through Maine, other U.S. states, and large swaths of Canada.

As citizens and decision-makers consider tar sands projects in Maine, and throughout the United States and Canada, it is imperative to understand the tactics the oil industry is using to advance its interests in the Alberta tar sands.

## **Big Oil's campaign to defeat the Waterfront Protection Ordinance used four main strategies.**

### **1) Spend big to defeat the ordinance.**

Big Oil spared no expense in its effort to defeat the Waterfront Protection Ordinance.

- Opponents of the Waterfront Protection Ordinance spent nearly \$750,000 on the campaign to influence votes in the city of South Portland (population 25,000)—or \$168 for every "no" vote on the ordinance. To put this spending in perspective, consider that former New York City Mayor Michael Bloomberg spent \$184 for every vote in his favor in one of the most expensive self-financed political campaigns in U.S. history. In contrast, President Barack Obama's nationwide presidential campaign spent \$16 for every vote cast in his favor in 2012.

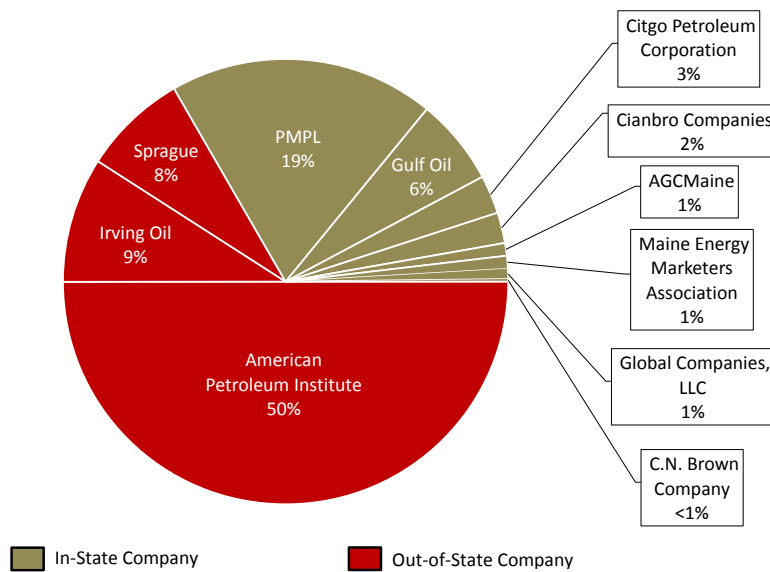
- Big Oil’s campaign strategy was shaped by high-priced out-of-state consultants. The anti-Waterfront Protection Ordinance campaign spent \$133,000 on consulting, including more than \$63,000 of in-kind consulting services provided by API.
- Big Oil interests also hired well-connected political insiders, such as Dan Demeritt, former communications director for Gov. Paul LePage, and New Hampshire political publicist Jim Merrill, who directed President George W. Bush’s 2000 general election campaign in the Granite State.

## 2) **Downplay the role of Big Oil.**

To give its campaign the gloss of public support, Big Oil highlighted the faces and voices of prominent local officials and businessmen in its campaign ads, mailers and websites. But behind the scenes, out-of-state corporations and global experts at engineering “astroturf” campaigns were hard at work orchestrating the campaign.

- Out-of-state interests provided more than 70 percent of the in-kind and cash donations made to the anti-Waterfront Protection Ordinance campaign. (See Figure ES-1.) API was the largest donor, contributing more than \$270,000 in cash and in-kind services—enough to cover one-third of the anti-Waterfront Protection Ordinance campaign.
- Even some of the “in-state” oil interests that contributed to the anti-Waterfront Protection Ordinance effort represented predominantly out-of-state interests. For example, the ultimate parents of Portland Montreal Pipe Line, the largest in-state contributor to the anti-Waterfront Protection Ordinance campaign, are Texas-based ExxonMobil, Canadian Exxon subsidiary Imperial Oil Limited and Canadian energy giant Suncor Energy.
- The anti-Waterfront Protection Ordinance campaign’s “grassroots” outreach was also controlled from afar. Big Oil retained the

**Figure ES-1. The Majority of Anti-Waterfront Protection Ordinance Contributions Came from Out-Of-State Interests\***



\*Sprague Operating Resources and Irving Oil both have headquarters in New Hampshire and therefore considered “out-of-state,” despite the fact that they own some facilities on South Portland’s waterfront. On the other hand, Portland Pipe Line Corp., headquartered in Portland, is considered “in-state” despite being majority-owned by ExxonMobil, a multinational corporation based in Texas.

Maryland-based consulting firm DDC Advocacy to provide nearly \$172,000 in canvassing services during the campaign. DDC Advocacy advertises that its “reach extends across the United States and around the world” and encourages clients to “Hire us. We speak the local dialect.”

- Big Oil also hired out-of-state contractors for direct mail and robo-call services, including firms in Iowa, Minnesota and Virginia.

### 3) ***Deny the existence of any plans to bring tar sands to Maine.***

Big Oil’s campaign sought to divert attention from the dangers of tar sands oil by claiming that the industry had no active plans to bring the oil through South Portland. This strategy was made explicit in Big Oil’s campaign mailers and advertisements:

- In an open letter to South Portland residents, the anti-Waterfront Protection Ordinance campaign stated, “Some of you may be concerned about tar sands, which may have prompted you to sign a Waterfront Protection Ordinance petition. But the ordinance is not about tar sands.” The campaign website also claims that “[t]he pipeline has said publicly on many occasions that it has no current or pending reversal plan.”
- In a November mailing to South Portland residents, the Maine Energy Marketers Association and the Portland Pipe Line Corp. also said, “Let us be clear—there is no such project proposed, pending or imminent.” (See Figure ES-2.)

Recent events, however, suggest that the potential for tar sands oil shipments is alive and well.

- Less than 10 months before the vote on the Waterfront Protection Ordinance, Portland Pipe Line Corp. CEO Larry Wilson told Vermont lawmakers that “while we do not have a project today, we’re aggressively pursuing every opportunity

to make use of these excellent assets, and that includes the possibility of reversing our pipeline, and it includes the possibility of moving oil from the western Canadian oil sands.”

- In February 2014, an API-backed front group called “Energy Citizens” took out ads in three Portland-area newspapers. The advertisements claimed that tar sands oil is “just oil” and that “crude oil from oil sands can be safely and easily transported by pipeline.” At the time of this writing, these ads continue to run weekly in area newspapers, and the oil industry continues to publish op-eds and letters to the editor in area newspapers with the same message.
- In March 2014, Canadian oil giant Enbridge secured approval from the Canadian government to carry tar sands oil through the final segment of its pipeline that connects Alberta’s tar sands oil to a refinery in Montreal—the same refinery at the terminus of the Portland-Montreal pipeline.

### 4) ***Manufacture and play up economic fears.***

Big Oil’s campaign sought to frighten Mainers about possible economic impacts of the Waterfront Protection Ordinance by using misleading studies and false claims to exaggerate the impact of the ordinance on South Portland businesses.


- Big Oil paid \$15,000 to Planning Decisions, Inc., for a study on the economic impact—including purported increases in oil prices, lost jobs, and lost tax revenue—of the ballot initiative. The study assumed that the ordinance would lead to the complete shutdown of the port’s oil terminal, a finding based on no objective evidence, but solely on the assertions of “some oil terminal operators” that the ordinance would prevent them from continuing to operate.



**Figure ES-2. A Pre-Election Mailing Promising No Plans for Tar Sands Oil Exports, and Post-Election Pro-Tar Sands Oil Newspaper Ad**

**PORTLAND  
PIPE LINE  
CORPORATION**

The quiet,  
responsible,  
trusted neighbor  
that shares your  
values.



**AN OPEN LETTER TO THE  
RESIDENTS OF SOUTH PORTLAND**

The Portland Pipe Line Corporation has a 72 year legacy of keeping our community and environment safe, supporting working families and providing good jobs and careers while efficiently delivering vital energy supplies. We've paid millions of dollars in tax revenue to the city, supporting our fire and police departments, schools and infrastructure. We've supported the community through donations to the United Way, South Portland schools and countless charities. We're particularly proud of our collaboration with the City in donating the use of 5 acres of land to create Bug Light Park and the use of the Greenbelt Walkway at two strategic locations. Make no mistake – we are truly proud to be good neighbors and corporate citizens in South Portland.

Over the last few months, our community has debated the so-called Waterfront Protection Ordinance or WPO, and we'd like to share our thoughts with you. The WPO is a proposed ordinance scheduled for a vote in November. Perhaps you signed a petition to get the WPO on the ballot, because you were told the WPO is designed to "stop tar sands" and "smokestacks". These misleading references relate to a prior proposal which was never initiated or completed, and are designed to scare you into thinking that our company has an imminent project to bring tar sands to South Portland or smokestacks to Bug Light Park.

Let us be clear – there is no such project proposed, pending or imminent. In fact, recently, as a good faith measure, we took the rare step of voluntarily surrendering our final permit relating to that prior proposal, as further reassurance to the community we care so deeply about that there is no tar sands project.

The negative impact of the WPO is too significant for citizens to vote based on an erroneous assumption that PPLC has an imminent project. The truth is, the WPO is not about tar sands. The WPO is overbroad, and if passed, will do far more than what has been claimed, with potentially very serious consequences not only for our company, but also others who rely upon South Portland's working waterfront.

Our company motto is "safety, environment, customer, community" and we take it seriously. We're proud of the work we do every day to operate safely and responsibly to protect our environment. So, as you consider your vote on November 5<sup>th</sup>, please get the facts and ignore the fear. The WPO is overbroad and if passed, it will result in significant and negative consequences for our community. Please vote against the WPO on November 5<sup>th</sup>, so that after the election we can come together and work collaboratively – as we always have in South Portland – to consider our shared vision for the future of South Portland and our vital working waterfront.

Sincerely,

<i>Larry Wilson</i> Larry Wilson President & CEO	<i>Dave Cyr</i> Dave Cyr Secretary/Treasurer	<i>Tom Hardison</i> Tom Hardison Director of Operations
<i>Chris Gillies</i> Chris Gillies Product Movement Manager	<i>Ken Brown</i> Ken Brown Engineering Manager	

**IT'S JUST OIL. FROM CANADA.**

**Safe, Reliable Oil from  
Our Neighbors to the North.**





What anti-energy activists term as "tar sands" is really Canadian Oil Sands, a geologic formation that contain a mixture of water, sand, and oil known as bitumen.

Once screened and diluted, crude oil from oil sands can be safely and easily transported by pipeline, just like any other crude oil running in any of the millions of miles of pipeline already traversing our nation.

**HELPING MAINE MEET ITS ENERGY NEEDS:**

- **Most Oil Dependent State:** Nearly 70% of Maine homes relying on home heating oil for heat.
- **\$5,508 in Per Capita Energy Expenditures:** Maine's energy spending per capita is 30th highest in the nation.

**National Academy of Sciences: Oil Sands No Greater Risk**

It moves through pipelines in a manner similar to other crude oils...There's nothing extraordinary about pipeline shipments of diluted bitumen to make them more likely than other crude oils to cause releases. >>>

*Mark Barbeau, Chemical Engineering Professor and an author of National Academy of Sciences Report*

**The fact is: Canadian Oil Sands plays a crucial role in creating jobs, boosting our economy, and helping America meet its energy needs now and in the future.**

Learn more about how Canadian Oil Sands are helping redefine North American energy. Visit [www.ItsJustOil.org](http://www.ItsJustOil.org).



- Big Oil's core message was that defeat of the ordinance would "save our working waterfront." But the reality is that South Portland's waterfront is home to many industries and businesses that would be threatened by tar sands oil shipments—including the fishing and lobstering and tourism and recreation industries. More than 200 South Portland local businesses, including companies in these industries, voiced their opposition to tar sands during the campaign.

Given its success in South Portland, Big Oil can be expected to employ some of the same tactics it used during its anti-ordinance campaign last fall to influence decision-makers and the public in South Portland and beyond. It is critical that elected officials and the public understand Big Oil's playbook as the industry attempts to meet its massive expansion plans to more than double tar sands production by 2030.



# Introduction

Few industries have been as successful at achieving their public policy goals as the oil industry. And few industries have been as aggressive as Big Oil in trying to give its political agenda the gloss of public support.

In 2009, as the U.S. Congress considered long-overdue steps to reduce global warming pollution, the American Petroleum Institute (API), Big Oil's lobbying arm in Washington, D.C., launched Energy Citizens—a front group that used “astroturf” (or phony grassroots) tactics in an effort to convince legislators that climate legislation was widely unpopular. The group's key tactic was to protest climate legislation at public events held by members of Congress during the last weeks of August 2009.

Ordinary citizens, however, had little to do with “Energy Citizens.” As revealed by an e-mail leaked from the desk of API's president, the organization encouraged oil companies to recruit their current and former employees, as well as vendors and contractors, to attend Energy Citizens rallies in key Congressional districts across 21 states.<sup>2</sup> API's president also stated that API was prepared to bus employees of its member companies to the rallies and provide logistical support, and that the group had hired “a highly experienced events management company that has produced successful rallies for presidential campaigns, corporations and interest groups.”<sup>3</sup>

API has used similar tactics to pressure policymakers to support development of the Canadian tar sands, and to transport diluted bitumen (or tar sands oil) via the controversial Keystone XL pipeline. In 2012, for example, API created another astroturf group called “Iowa's Energy Forum” in an attempt to manipulate the Republican presidential primary race by planting industry employees or other paid “activists” at candidates' campaign stops to ask them to pledge support for the pipeline and to hand out literature about tar sands oil.<sup>4</sup> Iowa's Energy Forum is one of the 23 state affiliates of API's “America's Energy Forum,” which claims to be “a non-partisan community of concerned citizens committed to two goals – achieving energy security for our country, and holding our elected officials more accountable in shaping energy policies.”<sup>5</sup>

Now, South Portland is at the center of yet another API-led astroturf campaign aimed at protecting the oil industry's goal of creating a U.S. East Coast shipping hub for Canadian tar sands oil. In 2013, Environment Maine joined with South Portland residents, 350 Maine, the Natural Resources Council of Maine, and Toxics Action Center in an attempt to block the oil industry from handling tar sands in South Portland. The effort utilized a proposed ordinance that would have prohibited construction of a tar sands terminal on the city's waterfront. In response, API and other Big Oil interests launched an extravagantly

funded campaign using many of the same tools and tactics from previous campaigns for the industry's policy objectives. As in those efforts, Big Oil worked to convince South Portland residents that opposition to the Waterfront Protection Ordinance was homegrown, with ads featuring the voices and faces of Mainers and with rallies and events populated by industry employees.<sup>6</sup> They also recruited respected spokespeople from the community by hiring well-connected political insiders and lobbyists, and by launching a massive media campaign to stir up unfounded economic fears. Just as in other campaigns, the industry also set up a coalition (Save Our Working Waterfront) that appeared to be locally generated. In reality, this group was actually backed by large, out-of-state oil companies and other interests, including API.<sup>7</sup>

These tactics helped the industry narrowly defeat the ordinance, but as South Portland considers a new ordinance to protect the community from the impacts of processing crude oil, including tar sands, it is clear that Big Oil's attempts to influence the debate are far from over: In February, Energy Citizens began purchasing ads in South Portland newspapers to promote Canadian tar sands oil as "safe, reliable energy from our neighbors to the north." In March, oil and gas company Enbridge (ExxonMobil's major partner in Canada) received approval to reverse the flow of its major Ontario-to-Montreal

pipeline, which will allow tar sands oil to flow to Montreal for the first time, and which points to larger industry plans to move tar sands from Alberta to a port on the Atlantic coast.<sup>8</sup>

The debate over South Portland's Waterfront Protection Ordinance is a case study of the tools and tactics Big Oil can be expected to use to keep alive the possibility of exporting tar sands oil out of Portland Harbor. As citizens and decision-makers debate the future of tar sands oil in Maine and elsewhere, it is imperative to understand how Big Oil uses its vast resources to influence the debate, particularly as the industry attempts to meet its massive expansion plans to more than double tar sands production by 2030.<sup>9</sup>

# The Tar Sands Threat to Maine

In recent years, oil companies have begun to tap vast quantities of oil locked in the “tar sands” deposits of western Canada.<sup>10</sup> Tar sands oil is a carbon-rich, dense form of petroleum (also known as natural bitumen) that in its raw form is mixed with clay, sand and water. Removing these impurities and refining tar sands oil into a usable product is an expensive and energy-intensive process. For years, extraction, refining and transport costs made tapping the Canadian tar sands deposits too expensive to be considered profitable.

However, with the rise in global oil prices and improvements in extraction technologies, the oil industry has moved aggressively to develop the more than 170 billion barrels of crude oil reserves in the tar sands, and to move the oil to market.<sup>11</sup> One of the cheapest ways to move tar sands oil is via pipeline because the tar sands region of Alberta, Canada, is land-locked and shipping the oil via truck or rail can be two or three times more expensive than shipping it via pipeline.<sup>12</sup>

Recent proposals to ship Canadian tar sands oil via pipeline have faced strong opposition, most notably the plan to ship tar sands oil through the United States to refineries in the Gulf of Mexico via the Keystone XL pipeline. Tar sands oil is notoriously dirty, generating more global warming pollution than both conventional light crudes and even heavy crudes, and has proven to be nearly impossible to clean up once spilled into waterways. It also poses a variety of threats to the environment and public health, including:

- **Water pollution.** Tar sands oil behaves differently in water than conventional oil, sinking to the bottom of waterways rather than floating on the surface, making cleanup difficult, if not impossible, and contributing to lasting environmental damage. For example, nearly four years after a July 2010 tar sands oil spill in Marshall, Michigan, the bottom of the Kalamazoo River remains covered in oil, despite a billion-dollar clean-up effort.<sup>13</sup> The Marshall spill currently is the largest and costliest inland oil spill in U.S. history.<sup>14</sup>
- **Threats to public health.** Spills of tar sands oil have also placed the public’s health at risk. For example, after the spill in Michigan, Michigan’s Department of Public Health determined that 320 people had suffered adverse health effects, from eye and skin problems to illnesses affecting the heart, lungs, kidneys and intestines.<sup>15</sup> Similarly, after a March 2013 tar sands oil spill in Mayflower, Arkansas, air monitoring data showed significantly elevated levels of benzene in the ambient air, and residents continued to experience respiratory disorders, nausea, fatigue, nosebleeds, bowel issues and headaches for months after the spill.<sup>16</sup>
- **Dangers in transportation.** Tar sands crude, which is often diluted with natural gas condensates to allow it move through pipes (creating diluted bitumen or “dilbit”) is more dangerous to transport than the lighter oils typically carried by U.S. pipelines. The high viscosity of dilbit requires that it be pumped through pipelines at high pressure, which in turn generates significant friction and heat that can compromise pipeline

integrity.<sup>17</sup> Operating at higher pressures also exacerbates the threat posed by a spill because spill volumes are likely to be larger than they would be if a pipeline were only transporting conventional crude.<sup>18</sup> Recently, the oil industry has attempted to downplay the risk of tar sands oil spills by citing a new National Academy of Sciences study on the relative safety of transporting tar sands dilbit versus other types of Canadian heavy crudes. However, that study has been widely criticized as failing to answer the more relevant question of the difference in safety of transporting heavy crudes versus the light crudes and refined products for which the U.S. pipeline system was built.<sup>19</sup>

- **Global warming.** Tar sands oil produces 17 percent more dangerous global warming pollution than conventional oil over its entire lifecycle.<sup>20</sup> Moreover, tapping major new sources of fossil fuels such as the tar sands will make it nearly impossible for the world to achieve the reductions in carbon dioxide emissions that scientists have repeatedly confirmed are necessary to prevent the worst impacts of global warming.<sup>21</sup>

With major pipeline proposals such as the Keystone XL stymied by landowners, ranchers, environmentalists, and others, Big Oil is still seeking strategies to bring more oil sands to market, and is considering a variety of options for doing so. One option is to ship tar sands oil east across Canada by pipeline and then to the Atlantic coast via the 64-year-old Portland-Montreal pipeline.

The Portland-Montreal pipeline has historically been used to transport oil imported from tankers docked in South Portland to Montreal. However, ExxonMobil, the majority owner of the pipeline, has been aggressively pursuing plans with its Canadian partners and subsidiaries to tap tar sands oil and move it to market.<sup>22</sup> In 2009, Exxon's subsidiary in Maine, the

Portland Pipe Line Corporation, obtained permits to reverse the flow of the pipeline to ship tar sands out of Casco Bay.<sup>23</sup> While those permits have expired or are no longer valid, the company has made clear that it continues to be interested in shipping tar sands oil through the pipeline to South Portland—and from there to the world market.

However, as more people in South Portland and elsewhere in Maine have learned about the dangers posed by tar sands oil, opposition to processing it in South Portland has grown considerably. Environment Maine helped form the citizens' group, Protect South Portland, along with 350 Maine, Toxics Action Center and the Natural Resources Council of Maine. Together, these organizations gathered more than 4,000 petition signatures to qualify an ordinance for the November 2013 ballot to prohibit the construction of the infrastructure that would be required to process and load tar sands oil onto tankers on the South Portland waterfront.<sup>24</sup>

## South Portland Residents Attempt to Ban New Tar Sands Oil Infrastructure

South Portland residents have many reasons to be concerned about plans to store and handle tar sands oil in the community. South Portlanders expressed deep concern about the public health impacts of the industrial activity along the waterfront that would be needed to handle tar sands oil.

Processing tar sands oil in South Portland would require the construction of a facility to burn off volatile organic compounds (VOCs) before the tar sands oil could be loaded onto tankers.<sup>25</sup> In 2008, Portland Pipe Line Corp. secured a permit to build such a facility that would include a pair of 70-foot high and 12-foot in diameter vapor combustion units on the pier next to Bug Light Park.<sup>26</sup> The company extended the permit in August 2012, but surrendered it in October 2013, just four months before its expiration, in a highly publicized move weeks before the vote

on the Waterfront Protection Ordinance (see page 19).<sup>27</sup> If re-permitted and built, the two smokestacks would be a new source of VOCs in South Portland.

VOCs are a key ingredient in the formation of ground-level ozone and can include hazardous air pollutants such as benzene, toluene, ethylbenzene, and xylene.<sup>28</sup> These pollutants can cause acute health problems ranging from asthma attacks to cancer to neurological damage.<sup>29</sup> Compared with typical light crudes, tar sands oil has higher percentages of benzene, toluene, and xylenes.<sup>30</sup> Cumberland County already struggles with poor air quality. In 2014, Cumberland County received a “C” grade from the American Lung Association for high levels of ground-level ozone.<sup>31</sup>

Tar sands oil would be stored in the Portland Pipe Line Corp.’s oil tanks in the city, which abut two elementary schools, a high school, and a community center, and would be another source of VOCs, which escape these tanks through imperfections in rim seals and deck fittings.<sup>32</sup> Also, as the tanks drain, small amounts of residual oil remain stuck to the walls of the tank. As the exposed residues evaporate, VOCs contaminate the air.<sup>33</sup> A tar sands oil export terminal could also entail expansion of South Portland’s tank farms to store the oil, including the construction of new tanks near Southern Maine Community College.<sup>34</sup>

Handling tar sands oil in South Portland would increase noxious odors in South Portland. Already, petroleum odors are reportedly the number one complaint South Portland city officials receive.<sup>35</sup> Tar sands bitumen contains as much as 11 times more sulfur than conventional crude oils, and diluted bitumen can contain even higher levels because many diluting agents contain sulfur compounds.<sup>36</sup> Diluted bitumen also contains high levels of mercaptans, which are sulfur compounds that produce strong odors at very low concentrations.<sup>37</sup> Mercaptans are typically added to natural gas to give it a distinct smell that can be detected in the event of a leak.

In addition to noxious odors, also of concern is the potential for declining property values due to new terminal infrastructure marring the coastal landscape. In particular, the 70-foot vapor combustion units proposed by Portland Pipe Line Corporation at Bug Light Park would mar the city’s beautiful coastline. According to a study in *Journal of Real Estate Finance and Economics*, homes with ocean views that are obstructed by industrial infrastructure have significantly reduced property values compared to similar homes with unobstructed views.<sup>38</sup> Bug Light Park and Willard Beach are also among the city’s most popular destinations for recreation, including walking, picnicking, boating, swimming, and kite flying. The construction of the vapor combustion unit and other terminal infrastructure is likely to degrade the value of these places for recreation and tourism, as well.

Finally, many residents fear the potentially devastating impact of a tar sands oil spill on the lobstering and tourism industries of Casco Bay. For example, when the *Julie N* oil tanker spilled nearly 180,000 gallons of fuel and crude oil into Casco Bay in September 1996, the impact on the regional economy was huge:

The studies showed that Julie N fuel-derived PAHs [polycyclic aromatic hydrocarbons, which can be carcinogenic] had accumulated in the flesh of lobsters and soft-shelled clams in the Fore River, and in scallops from Eastern Point (Portland) to Cape Elizabeth. The highest body burdens were found in blue mussels collected in the Fore River, where total PAH concentrations were 10 to 30 times higher than in mussels sampled in 1994, prior to the spill. Over 1600 birds were soiled by Julie N oil ... [T]emporary closure of Portland harbor to vessel traffic resulted in loss of revenue from sport fishing, whale watching, tour boats and ferries. Harvesting of marine fish and shellfish was closed or restricted ... in portions of Casco Bay and the Fore River from the day of the spill until the fishery was finally fully reopened in mid-November, 1996.<sup>39</sup>



A similar spill of tar sands oil could lead to even more devastating effects, given the difficulty of cleanup and the potential for long-term contamination from toxic chemicals.

### **Big Oil Steps in to Defeat the Waterfront Protection Ordinance**

The attempt by residents of South Portland to protect their city from tar sands oil with the Waterfront Protection Ordinance drew heavy opposition from Big Oil companies determined to keep the possibility of exporting tar sands oil via the Portland-Montreal pipeline alive. Opposition to the ordinance came from large in-state oil companies and powerful out-of-state interests, including Washington, D.C.-based API, which has an annual budget of roughly \$215 million.<sup>40</sup> API is one of Big Oil's most powerful lobbying groups, particularly for tar sands oil interests. In 2013 alone, API spent at least \$9.3 million lobbying for the Keystone XL pipeline and other favorable fuel policies.<sup>41</sup>

With a team of lawyers, lobbyists and political insiders—and a huge campaign budget—Big Oil launched its attack on the Waterfront Protection Ordinance in the summer of 2013. The attack strategy was the same as that used in other Big Oil campaigns to win favorable energy policies; namely, using astroturf tactics to create the appearance of strong local opposition to the proposed ordinance.

The next chapters of this report will describe the many ways Big Oil used its money and power to affect the outcome of the vote. As residents of South Portland and across the state decide whether to allow tar sands to be stored in South Portland and processed in Portland Harbor, it is important to understand the tools out-of-state interests use to ensure that the results of that decision are in their favor.

# The Big Oil Playbook: Strategies and Tactics Used Against the Waterfront Protection Ordinance

**B**ig Oil spent vast sums of money to defeat South Portland's Waterfront Protection Ordinance, which would have prevented the construction of infrastructure needed to process tar sands oil before being loaded onto tankers in Portland Harbor. The anti-Waterfront Protection Ordinance campaign, which was led by out-of-state Big Oil interests, spent nearly \$750,000—the equivalent of \$168 for every “no” vote—to defeat the ordinance.<sup>42</sup> Big Oil prevailed, winning by just 192 votes in an election where 8,694 ballots were cast.<sup>43</sup>

Big Oil used four main strategies to defeat the Waterfront Protection Ordinance—strategies that can be expected to reappear in future Maine debates about tar sands oil exports. Those strategies included:

- 1. Spend big to defeat the ordinance.** Big Oil spared no expense to hire expensive consultants and PR firms to shape its strategy and to reach voters.
- 2. Downplay the role of Big Oil.** The anti-Waterfront Protection Ordinance campaign put the voices and faces of local business owners up front in its communications to the public. But behind the scenes, most of the money and expertise for the anti-Waterfront Protection Ordinance campaign came from D.C.-based lobbying firms and expensive consultants expert in “astroturf” campaigns. “Astroturf” refers to organizations,

coalitions or tactics that appear to be grassroots-based, but are conceived, created or funded by corporations, trade groups or public relations firms.<sup>44</sup>

- 3. Deny the existence of any plans to bring tar sands to Maine.** Big Oil's campaign sought to divert attention from the dangers of tar sands oil by claiming that there was no “proposed, pending or imminent” project to bring the oil through South Portland ... even though the potential for such a project remains alive.
- 4. Manufacture and play up economic fears.** Big Oil's campaign sought to frighten South Portlanders about the supposed economic and other impacts of the Waterfront Protection Ordinance by using misleading studies and false claims about the impact of the ordinance on existing South Portland businesses.

## Spend Big to Defeat the Waterfront Protection Ordinance

The Big Oil-led anti-Waterfront Protection Ordinance campaign made nearly \$750,000 in in-kind and cash expenditures (including some outstanding debts for canvassing and direct mail services) to influence a municipal election in a city of 25,000 people.<sup>45</sup>

To put the volume of Big Oil’s spending in perspective, consider the following:

- The anti-Waterfront Protection Ordinance campaign spent \$750,000 to defeat the ordinance—more than half of what Gov. Paul LePage spent to win his statewide general election campaign in 2010 and four times what he raised to win the statewide Republican primary.<sup>46</sup>
- The campaign spent the equivalent of roughly \$30 for every resident of South Portland, or \$168 for every “no” vote on the ordinance. In comparison, President Barack Obama’s campaign spent \$3.50 per U.S. resident in 2012, or \$16 for every vote in his favor.<sup>47</sup> Very few political campaigns have ever matched the level of spending that Big Oil achieved in its anti-Waterfront Protection Ordinance campaign. In 2009, New York City Michael Bloomberg spent \$184 per vote in his favor—in one of the most expensive self-financed political campaigns in U.S. history.<sup>48</sup>

Where did that money go? One of Big Oil’s largest campaign expenditures was on high-priced consultants and PR firms, some of them from as far afield as Virginia and Maryland.<sup>49</sup> These consultants and PR specialists helped craft the industry’s messages and voter outreach strategies. In all, the anti-Waterfront Protection Ordinance campaign spent \$133,000 on consulting, which includes more than \$63,000 of in-

kind consulting services provided by the API. API also provided significant in-kind contributions for voter outreach efforts, including \$50,000 for get-out-the-vote activities, \$22,000 for direct mail, and \$22,000 in polling.<sup>50</sup>

The industry also retained one of New England’s largest law firms, The Bernstein Shur Group, for \$15,000.<sup>51</sup> Other key expenses were \$20,000 to Burgess Advertising & Marketing and \$11,500 to Dirigo Engagement Strategies, which helped develop the advertising, printed materials and messages used in the campaign.<sup>52</sup> They also hired four other individuals from across the state with expertise in marketing, management or communications consulting for a total of \$21,000.<sup>53</sup>

In addition to hiring consultants and PR firms, Big Oil interests also retained well-connected political insiders, such as Dan Demeritt, former communications director for Gov. LePage, and New Hampshire political publicist Jim Merrill, a former staffer for Gov. Stephen E. Merrill in the 1990s and the New Hampshire state director of George W. Bush’s 2000 general election campaign.<sup>54</sup>

The anti-Waterfront Protection Ordinance campaign also spent \$345,000 on voter contact, including \$199,000 for canvassing and other public outreach, \$65,000 for direct mail, \$43,000 for print and radio ads, \$11,000 for robo-calls, and \$27,000 for campaign literature and flyers.<sup>55</sup> (See Appendix.)

**Big Oil spent the equivalent of roughly \$30 for every resident of South Portland, or \$168 for every “no” vote on the ordinance. In comparison, President Barack Obama’s campaign spent \$3.50 per U.S. resident in 2012, or \$16 for every vote in his favor.**

**Figure 1. Oil Industry Mailer Featuring the Hale family, Owners of the Shipping Terminal at Turner's Island**

**Meet the Hale family.**  
A key part of our working waterfront.

Melody and Roger Hale

Justin Hale

Everyday I work to make changes to our operation that will bring new work to our family-owned terminal. If the WPO passes many of the customers we have today will have to go elsewhere and it would be impossible to make the upgrades that are needed to bring new business to South Portland.

— Roger Hale, Owner and Operator, Turners Island Terminal

**More than 15 years ago Turners Island Terminal languished in disrepair. The Hales bought it and brought it back!**

Through hard work and investment, Roger and Melody have restored Turners Island into a productive part of our working waterfront. The Hales employ area residents, pay their property taxes and work everyday to find new opportunities for their waterfront terminal. The WPO would cost the Hales much of the business they have today including supplying bait for the lobster industry, supporting naval vessels and transporting bio fuels that are added to home heating oil and diesel fuel destined for Maine markets.

Turners Island is one of many local businesses that would be devastated by the WPO. Keep our neighbors like Roger and Melody working by voting against the WPO!

**Save our working waterfront. Say NO to the WPO.**

## Downplay the Role of Out-of-State Big Oil Interests

The public face of the anti-Waterfront Protection Ordinance campaign was the Maine Energy Marketers Association, a Brunswick-based trade association for local oil dealers and service stations. Campaign ads and websites highlighted the faces and voices of Mainers.<sup>56</sup> (See Figure 1.) However, behind the scenes, out-of-state corporate donors and experts at “astroturf” campaigns were hard at work orchestrating the campaign.

Out-of-state interests were responsible for nearly three-quarters (73 percent) of total contributions to defeat the ordinance—about \$394,000 of the total \$540,000 in cash and in-kind contributions.<sup>57</sup> (Note that Big Oil’s cash expenditures actually exceeded contributions; the anti-Waterfront Protection Ordinance campaign incurred debt to push

its spending to nearly \$750,000 by the close of the campaign. (See Figure 2.)

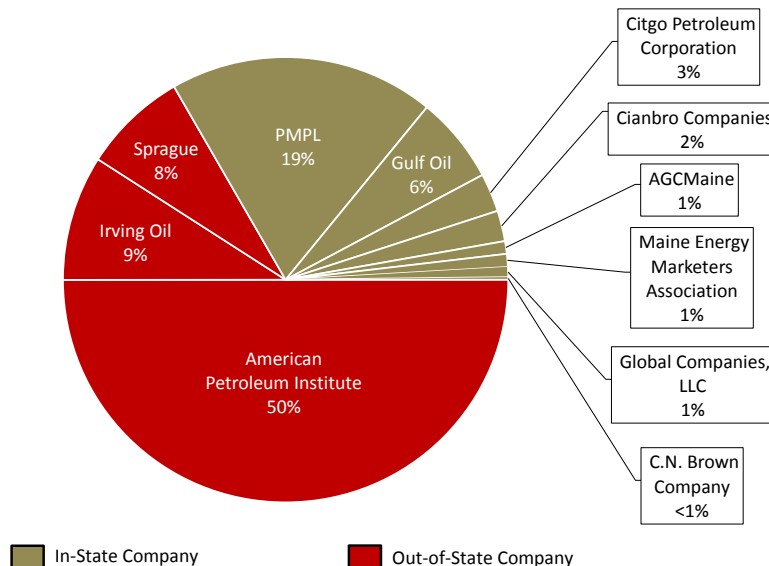
Washington, D.C.-based API was the largest donor to the campaign, contributing more than \$270,000 in cash and in-kind services—enough to cover one-third of total campaign expenses.<sup>60</sup> Additionally, several large “in-state” contributors to the anti-Waterfront Protection Ordinance effort actually represent out-of-state interests. For example, the largest in-state contributor to the anti-Waterfront Protection Ordinance campaign was Portland Montreal Pipe Line (PMPL), in which Texas-based ExxonMobil holds majority stake.<sup>61</sup> PMPL is a private company with two corporate owners: Montreal Pipe Line Limited (MPLL), which owns the Canadian stretch of the pipeline, and Portland Pipe Line Corp., which owns the stretch in the United States and controls import and storage operations in South Portland.<sup>62</sup> However, Portland Pipe Line Corp. is a wholly-owned

subsidiary of Montreal Pipe Line Limited, in which Canadian oil giant Imperial Oil Limited holds majority interest (about 76 percent).<sup>63</sup> In turn, ExxonMobil holds a 70 percent interest in Imperial Oil Limited.<sup>64</sup> The remaining interest in MPLL is held by Suncor Energy, another large Canadian oil company that is heavily invested in tar sands oil.<sup>65</sup>

The anti-Waterfront Protection Ordinance campaign’s astroturf outreach was also coordinated from afar. Big Oil retained the Maryland-based consulting firm DDC Advocacy to provide nearly \$172,000 in canvassing services during the campaign.<sup>66</sup> DDC Advocacy advertises that its “reach extends across the United States and around the world,” with “hundreds of field operatives across all 50 states, and scores more internationally.” These operatives, according to DDC’s website, “are public relations and earned-media veterans, and are masterful at securing print and online coverage.”<sup>67</sup> With the help of these experts, the company spells out how it achieves victory for its clients:

- “Using advanced data-mining and analytic techniques, we identify potential supporters, determine their values-based reasons for taking action, develop audience-specific messaging, and define the most effective channels for [communication].”<sup>68</sup>
- The company then backs these efforts with “extensive capabilities for high-quality, high-volume outreach communications [such as] get-out-the-vote calls, patch-throughs, surveys and prospecting.”<sup>69</sup>
- According to *The Washington Post*, the company pays more than 500 contract workers “to spend much of their day telephoning people around the country and asking them to sign letters to Congress that press for legislation ... DDC says lobby groups pay the company \$75 to \$125 per letter sent, depending on the difficulty of the campaign.”<sup>70</sup>

**Figure 2. The Majority of Anti-Waterfront Protection Ordinance Contributions Came from Out-Of-State Interests<sup>58</sup>**



\*Sprague Operating Resources and Irving Oil both have headquarters in New Hampshire and therefore considered “out-of-state,” despite the fact that they own some facilities on South Portland’s waterfront. On the other hand, Portland Pipe Line Corp., headquartered in Portland, is considered “in-state” despite being majority-owned by ExxonMobil, a multinational corporation based in Texas.



The result of using tactics like these, DDC claims, “is a finely targeted campaign that brings issues to life with the voices of high-level grassroots advocates and rank-and-file grassroots supporters.” This is why, on the company’s website, it encourages clients to “Hire us. We speak the local dialect.”<sup>71</sup>

Other DDC Advocacy astroturf campaigns have included:

- Launching an advertising campaign on behalf of Altria (formerly Phillip Morris Companies Inc.) in the United Kingdom to place messages in packs of Marlboro cigarettes that encourage smokers to learn more about how to speak out against restrictive regulations at a website the company calls “the community for Britain’s smokers.”<sup>72</sup>
- Helping America’s Health Insurance Plans (AHIP)—an industry lobbying giant with an annual budget of \$70 million—mobilize 50,000 health insurance employees to write letters, call politicians and attend town hall meetings armed with talking points to counter criticism of the health insurance industry in 2009 during the debate over health care reform.<sup>73</sup> The group also maintains advocacy websites for Humana, WellPoint, and Aetna.<sup>74</sup>
- Promoting the privatization of Social Security.<sup>75</sup> In 2002, the Coalition for the Modernization and Protection of America’s Social Security (CoMPASS)—a group comprised of CEOs of major banks, securities companies and insurance companies—hired DDC affiliate OnPoint Advocacy to lead its astroturf efforts, which included generating phone calls and letters in key legislative districts.<sup>76</sup>

Big Oil also hired out-of-state contractors for direct mail and robo-call services, including \$30,000 in direct mail services from Iowa-based Redwave Com-

munications, which has created campaign pieces for about 75 congressional candidates in more than a dozen states.<sup>77</sup> Big Oil also paid \$10,000 to voter targeting and robo-call companies from Minnesota and Virginia.<sup>78</sup> TargetPoint Consulting, based in Virginia, is one of the nation’s leading experts in political microtargeting—using data on consumer behavior to predict political affiliations and issue stances. For the 2004 election cycle, the company provided more than \$3 million in political consulting and microtargeting services to the Republican National Convention, according to *Sourcewatch*.<sup>79</sup> A report from the *Washington Post* describes how with TargetPoint, the 2004 Bush-Cheney campaign was able to

[delve] into commercial databases that pinpointed consumer buying patterns and television-watching habits to unearth such information as Coors beer and bourbon drinkers skewing Republican, brandy and cognac drinkers tilting Democratic; college football TV viewers were more Republican than those who watch professional football ... homes with telephone caller ID tended to be Republican ...

Surveys of people on these consumer data lists were then used to determine “anger points” (late-term abortion, trial lawyer fees, estate taxes) that coincided with the Bush agenda for as many as 32 categories of voters, each identifiable by income, magazine subscriptions, favorite television shows and other ‘flags.’ Merging this data, in turn, enabled those running direct mail, precinct walking and phone bank programs to target each voter with a tailored message.<sup>80</sup>

Minnesota-based FLS Connect also provided robo-calls and surveys for the oil industry’s campaign.<sup>81</sup> One such survey asked South Portland residents how satisfied they were with Mayor Tom Blake, who strongly supported the Waterfront Protection Ordinance and who was also up for re-election in November.<sup>82</sup> The industry also tried to sway voter opinion through polling. *Portland Press Herald* columnist Bill Nemitz described one such phone

call received by a South Portland resident in April 2013.<sup>83</sup> After agreeing to participate in a poll about reversing the flow of the Portland Montreal pipeline to carry tar sands oil, the resident was asked if she favored the proposal. After answering that she opposed it, she said that the woman on the other end of the line began citing a number of industry claims about the safety of transporting tar sands oil via pipeline, and asked her if knowing these “facts” about pipeline safety would change her level of opposition.<sup>84</sup>

## Deny the Existence of Any Plans to Export Tar Sands from Maine

Big Oil’s campaign sought to divert attention from the dangers of tar sands oil by claiming that there were no active plans to bring tar sands oil through South Portland.<sup>85</sup> This strategy was made explicit in an open letter to South Portland residents stating that “[s]ome of you may be concerned about tar sands, which may have prompted you to sign a Waterfront Protection Ordinance petition. But the ordinance is not about tar sands.”<sup>86</sup> The Save Our Work-

**Figure 3. A Pre-Election Mailing Promising No Plans for Tar Sands Oil Exports, and Post-Election Pro-Tar Sands Oil Newspaper Ad**

**PORTLAND PIPE LINE CORPORATION**  
The quiet, responsible, trusted neighbor that shares your values.

**AN OPEN LETTER TO THE RESIDENTS OF SOUTH PORTLAND**  
The Portland Pipe Line Corporation has a 72 year legacy of keeping our community and environment safe, supporting working families and providing good jobs and careers while efficiently delivering vital energy supplies. We've paid millions of dollars in tax revenue to the city, supporting our fire and police departments, schools and infrastructure. We've supported the community through donations to the United Way, South Portland schools and countless charities. We're particularly proud of our collaboration with the City in donating the use of 5 acres of land to create Bug Light Park and the use of the Greenbelt Walkway at two strategic locations. Make no mistake – we are truly proud to be good neighbors and corporate citizens in South Portland.

Over the last few months, our community has debated the so-called Waterfront Protection Ordinance or WPO, and we'd like to share our thoughts with you. The WPO is a proposed ordinance scheduled for a vote in November. Perhaps you signed a petition to get the WPO on the ballot, because you were told the WPO is designed to “stop tar sands” and “smokestacks”. These misleading references relate to a prior proposal which was never initiated or completed, and are designed to scare you into thinking that our company has an imminent project to bring tar sands to South Portland or smokestacks to Bug Light Park.

Let us be clear – there is no such project proposed, pending or imminent. In fact, recently, as a good faith measure, we took the rare step of voluntarily surrendering our final permit relating to that prior proposal, as further reassurance to the community we care so deeply about that there is no tar sands project.

The negative impact of the WPO is too significant for citizens to vote based on an erroneous assumption that PPLC has an imminent project. The truth is, the WPO is not about tar sands. The WPO is over-broad and if passed, will do far more than what has been claimed, with potentially very serious consequences not only for our company, but also others who rely upon South Portland's working waterfront.

Our company motto is “safety, environment, customer, community” and we take it seriously. We're proud of the work we do every day to operate safely and responsibly to protect our environment. So, as you consider your vote on November 5th, please get the facts and ignore the fear. The WPO is overbroad and if passed, it will result in significant and negative consequences for our community. Please vote against the WPO on November 5th, so that after the election we can come together and work collaboratively - as we always have in South Portland – to consider our shared vision for the future of South Portland and our vital working waterfront.

Sincerely,  
Larry Wilson, Larry Wilson, President & CEO  
Dave Cyr, Dave Cyr, Secretary/Treasurer  
Tom Hardison, Tom Hardison, Director of Operations  
Chris Gillies, Chris Gillies, Product Movement Manager  
Ken Brown, Ken Brown, Engineering Manager

**IT'S JUST OIL. FROM CANADA.**  
Safe, Reliable Oil from Our Neighbors to the North.

What anti-energy activists term as “tar sands” is really Canadian Oil Sands, a geologic formation that contain a mixture of water, sand, and oil known as bitumen.

Once screened and diluted, crude oil from oil sands can be safely and easily transported by pipeline, just like any other crude oil running in any of the millions of miles of pipeline already traversing our nation.

**HELPING MAINE MEET ITS ENERGY NEEDS:**

- **Most Oil Dependent State:** Nearly 70% of Maine homes rely on home heating oil for heat.
- **\$1,508 in Per Capita Energy Expenditures:** Maine's energy spending per capita is 10th highest in the nation.

**National Academy of Sciences: Oil Sands No Greater Risk**

It moves through pipelines in a manner similar to other crude oils...There's nothing extraordinary about pipeline shipments of diluted bitumen to make them more likely than other crude oils to cause releases.

Mark Barbeau, Chemical Engineering Professor and an author of National Academy of Sciences Report

The fact is: Canadian Oil Sands plays a crucial role in creating jobs, boosting our economy, and helping America meet its energy needs now and in the future.

Learn more about how Canadian Oil Sands are helping redefine North American energy. Visit [www.ItsJustOil.org](http://www.ItsJustOil.org).

**Energy Citizens**

ing Waterfront website claims, under their “Facts and Background” section that “The pipeline has said publicly on many occasions that it has no current or pending reversal plan.”<sup>87</sup>

In a November mailing to South Portland residents, the Maine Energy Marketers Association and the Portland Pipe Line Corp. also said:

Let us be clear – there is no such project proposed, pending or imminent. In fact, recently, as a good faith measure, we took the rare step of voluntarily surrendering our final permit related to that prior proposal, as further assurance to the community we care so deeply about that there is no tar sands project.<sup>88</sup> (See Figure 3.)

The “final permit” mentioned above is an air pollution permit required for a pair of 70-foot vapor combustion units on the pier to burn off some of the chemicals in diluted tar sands oil before it is loaded onto ships.<sup>89</sup> Portland Pipe Line Corp. renewed that permit in August 2012 through February 2014.<sup>90</sup> The permit was therefore set to expire just four months after it was surrendered by Portland Pipe Line.

Despite Big Oil’s carefully worded claims that there was no “proposed, pending or imminent” plan for a reversal of the pipeline, such a plan remains very much on the table:

- Less than 10 months before the vote on the Waterfront Protection Ordinance, Portland-Montreal Pipeline Company CEO Larry Wilson told Vermont lawmakers that “while we do not have a project today, we’re aggressively pursuing every opportunity to make use of these excellent assets, and that includes the possibility of reversing our pipeline, and it includes the possibility of moving oil from the western Canadian Oil sands.”<sup>91</sup> In October, he reiterated, “I’m not going to tell you I will never move (tar sands).”<sup>92</sup>
- Although Portland Pipe Line Corp. surrendered its air pollution permit for the smokestacks it would need to process tar sands oil, it could simply re-apply for the permit from the state of Maine.

- After the election, in February 2014, an API-backed front group called “Energy Citizens” took out ads in three area papers—the *Current*, the *South Portland-Cape Elizabeth Sentry* and the *Forecaster*—to promote tar sands oil.<sup>93</sup> (See Figure 3.) Energy Citizens is a front group for the API, which lobbies on behalf of PPLC and other oil and gas interests.<sup>94</sup> The advertisements claimed that tar sands diluted bitumen is “just oil” and that “crude oil from oil sands can be safely and easily transported by pipeline.” At the time of this writing, this full-page ad and other variations have continued to appear in all three newspapers on nearly a weekly basis, along with other industry-penned op-eds and letters to the editor.<sup>95</sup>
- A few days after these ads first appeared, the Maine Energy Marketers Association submitted an op-ed to the *Portland Press Herald* touting the safety and benefits of tar sands oil. The op-ed was titled “Science shows crude from oil sands no riskier than conventional crude.”<sup>96</sup> (See “Dangers in transportation” on page 10.)
- In March 2014, Canadian pipeline giant Enbridge, Inc. secured permission from the Canadian government to reverse the flow of its “Line 9b” pipeline to transport tar sands oil to Montreal—for the first time allowing tar sands to be shipped eastward across Canada.<sup>97</sup> The Enbridge pipeline ends at the Suncor refinery in Montreal—the very refinery that is the other end of the Portland-Montreal Pipeline. The Line 9b reversal is a necessary step in a proposed project—dubbed “Trailbreaker” by Enbridge—to bring Canadian tar sands oil to Montreal for ultimate export through Maine.<sup>98</sup> (See Figure 4.) Although the project was officially suspended after the recession, Enbridge and its partner, ExxonMobil (the majority owner of the Portland Montreal pipeline) have continued to apply for permits and licenses necessary for its completion.<sup>99</sup>

**Figure 4. Oil Industry Seeks U.S. Atlantic Shipping Route for Tar Sands Oil<sup>100</sup>**



## Manufacture and Play Up Economic Fears

Given the significant opposition to handling and processing tar sands oil in South Portland, Big Oil avoided making a case for tar sands oil exports. Instead, the industry devoted all its attention to attacking the language of the ordinance in question, stoking fears that the ordinance would have unintended economic consequences. The industry propped up this claim using misleading studies and false claims to exaggerate the impact of the ordinance on existing South Portland businesses.

To support the notion that the Waterfront Protection Ordinance would harm South Portland's waterfront industries, Big Oil paid \$15,000 to Planning Decisions, Inc., for a study on the economic impact—including purported increases in oil prices, lost jobs and lost tax revenue—resulting from the hypothetical disappearance of all petroleum-handling companies from the waterfront.<sup>101</sup> The study provided no evidence that the ordinance was likely

to lead to such an outcome, citing only the claims of "some oil terminal operators" that the ordinance would prevent them from continuing to operate.<sup>102</sup> (Planning Decisions has also been criticized for failing to justify inflated job creation numbers in a 2012 study on the economic impact of the proposed open-pit mining operation at Bald Mountain in Aroostook County.<sup>103</sup>) The anti-Waterfront Protection Ordinance campaign presented the study as hard proof of the economic harm that would supposedly result from the ordinance.

Big Oil also trumped up economic fears by charging that the language of the ordinance would restrict even routine maintenance and infrastructure upgrades that keep the port competitive. Many of the mailers and flyers produced by the Save Our Working Waterfront coalition reinforced this message. One mailer features Sprague Energy (the campaign's third-largest out-of-state donor) attesting that the Waterfront Protection Ordinance would have prevented many of the important upgrades it had already undertaken. (See Figure 5.)



**Figure 5. Oil Industry Mailer Listing Sprague Energy's Reasons for Opposing the Waterfront Protection Ordinance**

**WPO's Impact**

Had the ordinance been in place when Sprague bought the Terminal in 1996, the following upgrades and business expansions would not have been possible:

1999	Jet Fuel Expansion to supply Jetport	\$250,000
2001	Asphalt Expansion	\$950,000
2003	Inter-Modal Access and Security Upgrade	\$300,000
2006	Asphalt Upgrade Project	\$3,250,000
2007	Bio diesel Upgrade	\$450,000
2007	Bunker Expansion to provide fuel to vessels	\$3,300,000
Now	4 Year Dockline Upgrade	\$1,500,000

None of the services Sprague now provides to the community would have been possible without the above projects, all of which would be prohibited in the future by the WPO!



**Figure 6. Oil Industry Campaign Sign**



The anti-Waterfront Protection Ordinance coalition also circulated marked-up copies of the ordinance to city officials with comments from its lawyers who attested that the ordinance language was too restrictive and would not allow upgrades.<sup>104</sup>

However, nowhere in the language or intent of the ordinance were there any restrictions on maintenance or upgrades—or even new construction—as long as these activities did not “change the function or capacity” of existing facilities, and were not designed “for loading tankers or other ships instead of unloading ships.”<sup>105</sup> The ordinance also made an explicit exception for construction activities or upgrades to comply with safety or pollution regulations.<sup>106</sup> In a letter to the City Council of South Portland signed by several prominent local attorneys Big Oil’s legal scare tactics were described as thus: “The misinterpretations advanced by opponents of the Ordinance appear to be intended to raise alarm about passage of the Ordinance, without paying due regard to basic legal principles of statutory construction and enforcement.”<sup>107</sup>

Although led by powerful out-of-state Big Oil interests, the “Save Our Working Waterfront” coalition described itself as a group of “area businesses to educate voters” about the economic dangers posed by the Waterfront Protection Ordinance.<sup>108</sup> Their messages admonished voters: “Don’t Sink Our Port!” (See Figure 6.)

The industry messaging around the economic importance of the waterfront did not mention the economic importance of non-oil related activities, such as ocean tourism and lobstering in Casco Bay—activities that could be threatened by tar sands oil shipping. The Bay’s soft shell clam industry alone is worth about \$15 million per year, and lobstermen caught more than \$39 million worth of lobsters in 2012.<sup>109</sup> Moreover, ocean tourism and the recreation industry in Cumberland County, which includes Portland and Casco Bay, accounted for more than 13,000 jobs and nearly \$220 million in wages in 2011.<sup>110</sup> Recognizing the value of a clean Casco Bay to South Portland, more than 200 businesses in the city signed on to a letter to South Portland City Council opposing tar sands exports.<sup>111</sup>



# Conclusion

**B**ig Oil's campaign in South Portland provides a window into the vast resources available to Big Oil and the strategies the industry employs to influence the tar sands debate in Maine and beyond. The strategy and tactics seen in South Portland last fall are taken directly from the Big Oil "playbook" that has been used time and time again in defending the industry's interests, most recently when it comes to the industry's unfettered ability to extract, transport and process tar sands.

As has been the case in other places, Big Oil worked to convince South Portlanders that opposition to the Waterfront Protection Ordinance was home-grown, with ads featuring the voices and faces of local business owners and with events populated by industry employees. They recruited respected spokespeople from the community by hiring well-connected political insiders and lobbyists, downplayed the source of money and influence behind the effort, and launched a massive paid media campaign to manufacture and trump up economic fears.

The approval in March by the Canadian National Energy Board of Enbridge's proposal to reverse the flow of its western Ontario to Montreal pipeline, allowing tar sands oil to flow to Montreal for the first time ever, points to larger industry plans to move tar sands from Alberta to a port on the Atlantic coast. Meanwhile, Energy Citizens continues to take out full-page ads in South Portland newspapers touting the benefits of tar sands oil to Maine.

Since the defeat of the Waterfront Protection Ordinance, the debate over tar sands oil has continued in South Portland. In mid-December, the City Council voted 6-1 to place a six-month moratorium on any construction activity related to tar sands oil exports.<sup>112</sup> In May, the Council extended the moratorium through November.<sup>113</sup> The moratorium is meant to give the Council more time to draft a new law that will protect the city from tar sands oil. To that end, the Council has set up a Draft Ordinance Committee, made up of three appointed volunteers with relevant planning, legal and industry backgrounds. API, which provides legal representation for the Portland Pipeline Corp., has already denounced the moratorium as unconstitutional and illegal, and warned in a letter to City Council that it will face "strong legal action."<sup>114</sup>

As Big Oil continues to try to advance its aggressive plan to expand tar sands production, it will continue to exert its considerable influence through well-funded efforts that downplay its own role, deny increased risks to communities, and play up economic fears.

Knowing the Big Oil "playbook" can help citizens and policymakers better understand how the oil industry shapes public discourse. There is a stark difference between what's at stake when it comes to tar sands for Big Oil and for the public at large. Knowing how to spot manipulative industry tactics can help decision-makers recognize the distinction between profit-driven public relations campaigns and the genuine interest of communities whose futures are in question.

# Appendix

**Table A-1. Summary of Big Oil’s Expenditures to Defeat the Waterfront Protection Ordinance<sup>115</sup>**

Campaign Activity	Value of In-Kind Contributions	Expenditures*	Total	Share of Total Campaign Spending
Canvassing and Other Public Outreach	\$8,000	\$191,000 <sup>1</sup>	\$199,000	27%
Consulting	\$64,000	\$69,000	\$133,000	18%
Misc. Campaign Activity	\$119,000		\$119,000	16%
Mail	\$23,000	\$42,000 <sup>2</sup>	\$65,000	9%
Staff Attendance at Internal Meetings	\$44,000		\$44,000	6%
Non-itemized Contributions	\$39,000		\$39,000	5%
Campaign Materials	\$6,000	\$21,000	\$27,000	4%
Newspaper Ads		\$24,000	\$24,000	3%
Polling/Research	\$22,000		\$22,000	3%
Radio/TV Ads		\$19,000	\$19,000	3%
Economic Impact Studies		\$15,000	\$15,000	2%
Voter Contact/Phone Banks	\$1,000	\$10,000	\$11,000	1%
Travel	\$8,000		\$8,000	1%
Staff Attendance at City Council or Planning Board Meetings	\$7,000		\$7,000	1%
Events	\$6,000		\$6,000	1%
Equipment/Office Space Rental	\$1,000	\$4,000	\$5,000	1%
Other Costs	\$3,000		\$3,000	0%
<b>TOTAL</b>	<b>\$351,000</b>	<b>\$396,000*</b>	<b>\$747,000*</b>	<b>100%</b>

\*Includes unpaid debts as of December 10, 2013

# Appendix

**Table A-2. Oil Company Contributions to Defeat Waterfront Protection Ordinance**

<b>Company</b>	<b>City</b>	<b>Monetary</b>	<b>In-Kind</b>	<b>Total</b>
American Petroleum Institute	Washington, D.C.	\$54,000	\$215,000	\$270,000
PMPL	South Portland, ME	\$36,000	\$68,000	\$104,000
Irving Oil	Portsmouth, NH	\$30,000	\$19,000	\$49,000
Sprague Operating Resources	Portsmouth, NH	\$15,000	\$26,000	\$41,000
Gulf Oil Limited Partnership	Framingham, MA	\$30,000	\$4,000	\$34,000
Citgo Petroleum Corporation	South Portland, ME	\$15,000	\$2,000	\$15,000
Cianbro Companies	Pittsfield, ME	\$10,000	\$2,000	\$12,000
Associated General Contractors of Maine	Augusta, ME	\$0	\$5,000	\$5,000
Maine Energy Marketers Association	Brunswick, ME	\$0	\$5,000	\$5,000
Global Companies, LLC	South Portland, ME	\$0	\$4,000	\$4,000
C.N. Brown Company	South Paris, ME	\$0	\$1,000	\$1,000
	<b>Total</b>	<b>\$191,000</b>	<b>\$351,000</b>	<b>\$540,000</b>

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