

Earthworks - Indigenous Environmental Network - Oil Change International - Waterkeeper Alliance  
Bold Alliance - Bold Louisiana - 350 New Orleans - Idle No More SF Bay  
Friends for Environmental Justice - Society of Native Nations  
Michigan Residents Against ET Rover Pipeline - Juniata Valley Audubon Society  
ET Go Home - Big Bend Defense Coalition - Camp White Pine

November 22, 2017

**To the attention of:**

Mr. Andrew Cecere  
Chief Executive Officer, U.S. Bank  
andrew.cecere@usbank.com

Cc: Ms. Reba Dominski  
Chief Social Responsibility Officer, US Bank  
Reba.Dominski@usbank.com

**RE: U.S. Bank investments in Energy Transfer Partners**

Dear Mr. Cecere,

We, the undersigned organizations, represent millions of people including many communities directly impacted by Energy Transfer Partners' infrastructure projects. We stand with the growing global movement for divestment from all new fossil fuel projects, which are incompatible with preventing catastrophic climate change.<sup>1</sup> We are writing to inform you that U.S. Bank is misleading its shareholders, customers and the public by continuing its significant financial relationships with Energy Transfer Partners and its related companies.

U.S. Bank's 2017 Environmental Responsibility Policy contends that U.S. Bank "**does not provide project financing for the construction of oil or natural gas pipelines.**"<sup>2</sup> You announced the policy to shareholders in April of this year in the context of concerns about the Bank's involvement in the Dakota Access Pipeline, clarifying that U.S. Bank "does not finance the Dakota Access Pipeline" and that "This is a focus for us. It's something that we recognize the importance of, but we have to fulfill our requirement in terms of our [line of credit] contract with ETP."

Since these statements, U.S. Bank significantly widened its financial involvement with ETP. According to SEC records, U.S. Bank underwrote \$281.25 million in bonds for ETP in September 2017,<sup>3</sup> then served as Trustee to Energy Transfer Equity, ETP's parent, for a \$1 billion bond issue in October 2017.<sup>4</sup> Debt financed under these agreements and facilitated by U.S. Bank is currently financing the development of numerous oil and gas pipelines, as ETP has disclosed in SEC filings.<sup>5</sup>

By maintaining these and other significant financial relationships with ETP, U.S. Bank is effectively bypassing the Environmental Responsibility Policy it announced to shareholders in April. ETP's primary business is the

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<sup>1</sup> Greg Muttitt, "The Sky's Limit: Why the Paris Climate Goals Require A Managed Decline of Fossil Fuel Production," Oil Change International, September 2016. <http://priceofoil.org/2016/09/22/the-skys-limit-report/>

<sup>2</sup> U.S. Bancorp, "Environmental Responsibility Policy," 2017. <https://www.usbank.com/pdf/community/Environmental-Responsibility-Policy-Web-Final-April2017.pdf>

<sup>3</sup> See Energy Transfer Partners 8-K, Exhibit 1.1 filed with the SEC on September 25, 2017: <https://www.sec.gov/Archives/edgar/data/1161154/000116115417000063/etpunderwritingagreementno.htm>

<sup>4</sup> See Energy Transfer Equity 8-K, Exhibit 4.2 filed with the SEC on October 18, 2017: <https://www.sec.gov/Archives/edgar/data/1276187/000127618717000081/exhibit42-etexeighthsupple.htm>

<sup>5</sup> See Energy Transfer Equity 10-K filed with the SEC on February 24, 2017: <https://www.sec.gov/Archives/edgar/data/1276187/000127618717000023/ete12-31x201610k.htm>

construction and maintenance of oil and gas pipelines and related infrastructure. ETP is using proceeds from transactions facilitated by U.S. Bank to pursue this business; therefore, U.S. Bank's corporate-level finance for ETP is effectively financing these projects. This is an ethical loophole that must be closed.

In addition to its project-level commitment, U.S. Bank asserts that it maintains extra environmental corporate-level due diligence for companies operating in "sensitive" sectors, including hydraulic fracturing, to ensure that a "firm's policies and processes are sound and effective as they relate to the environment and the community in which it operates." U.S. Bank claims to weigh in particular "Past and present environmental compliance with laws and regulations" and "potential impact on dependent communities and indigenous people."<sup>6</sup>

Energy Transfer Partners has demonstrated a pattern of activity that consistently violates both these principles. While U.S. Bank earns millions of dollars in fees by lending to ETP and underwriting its debt, the company's pipelines and related fossil fuel infrastructure have inflicted tremendous social and environmental harm including the following:

- **Violating Indigenous sovereignty;**<sup>7</sup>
- **Enabling violence** against water protectors;<sup>8</sup>
- **Causing 328 dangerous incidents** resulting in a release, spill, injury or death to a person, an emergency shutdown, explosion, fire, and/or property damage since 2006;<sup>9,10</sup>
- **Failing to comply** with environmental laws and permits for pipelines,<sup>11</sup> with significant negative impacts on local communities and ecosystems,<sup>12</sup> and triggering fines,<sup>13</sup> a federal investigation,<sup>14</sup> and legal action from state agencies;<sup>15</sup>
- **Infringing landowner rights** by misusing eminent domain<sup>16</sup> and violating land use agreements;<sup>17</sup>

<sup>6</sup> U.S. Bancorp, "Environmental Responsibility Policy," 2017. <https://www.usbank.com/pdf/community/Environmental-Responsibility-Policy-Web-Final-April2017.pdf>

<sup>7</sup> "Brief of Amici Curiae Great Plains Tribal Chairmen's Association, National Congress of American Indians, and 18 Federally Recognized Indian Tribes and Tribal Organizations," *Standing Rock Sioux Tribe v. U.S. Army Corps of Engineers*, August 7, 2017. <https://earthjustice.org/sites/default/files/files/GPTC-amicus.pdf>; Also see: "Report and Statement from Chief Edward John," United Nations Permanent Forum on Indigenous Issues, November 1, 2016. <https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2016/11/Report-ChiefEdwardJohn-DAPL2016.pdf>

<sup>8</sup> See testimony of Standing Rock Sioux Chairman before the United Nations Human Rights Council in Geneva, Switzerland, September 20, 2016: [https://www.youtube.com/watch?v=dW0d\\_WsuLOY](https://www.youtube.com/watch?v=dW0d_WsuLOY); October 2016 letters from the Standing Rock Sioux Chairman and Amnesty International to the U.S. Department of Justice requesting a civil rights investigation: <https://www.documentcloud.org/documents/3189653-Lltr-to-AG-Lynch-Re-Dakota-Access-10-24-16-Pdf-1.html> and [http://www.amnestyusa.org/pdfs/US\\_DOJ\\_letter\\_Lynch\\_regarding\\_investigation\\_and\\_observation.pdf](http://www.amnestyusa.org/pdfs/US_DOJ_letter_Lynch_regarding_investigation_and_observation.pdf)

<sup>9</sup> PHMSA database public records of major incidents for ETP and Sunoco from January 1, 2006-October 31, 2017.

<sup>10</sup> "Sunoco, behind protested Dakota pipeline, tops U.S. crude spill charts," *Reuters*, September 23, 2016. <https://www.reuters.com/article/us-usa-pipeline-nativeamericans-safety-i/sunoco-behind-protested-dakota-pipeline-tops-u-s-crude-spill-charts-idUSKCN11T1UW>; Recent examples include: "Sunoco Pipeline Spills Gasoline Near Pennsylvania River," *Reuters*, October 21, 2016. <https://www.reuters.com/article/pipeline-operations-sunoco-logistics-pen/update-2-sunoco-pipeline-spills-gasoline-near-pennsylvania-river-idUSL1N1CR1QD> and "Pipeline spill by Dakota Access company could have a 'deadly effect,'" *Washington Post*, May 8, 2017. [https://www.washingtonpost.com/news/energy-environment/wp/2017/05/08/pipeline-spill-by-dakota-access-company-could-have-a-deadly-effect/?utm\\_term=.fba99277a1e3](https://www.washingtonpost.com/news/energy-environment/wp/2017/05/08/pipeline-spill-by-dakota-access-company-could-have-a-deadly-effect/?utm_term=.fba99277a1e3)

<sup>11</sup> For example, see: West Virginia Department of Environmental Protection, "Order Issued Under the Water Pollution Control Act to Rover Pipeline LLC," Order No. 8749, July 17, 2017. <https://www.documentcloud.org/documents/3900177-Rover-Pipeline-Order-WVDEP-July-2017.html>; Pennsylvania Department of Environmental Protection, "DEP Announces Accountability Actions for Mariner East 2 Violations, Environmental Hearing Board Issues Temporary Partial Halt to Drilling," July 25, 2017. <http://www.ahs.dep.pa.gov/NewsRoomPublic/articleviewer.aspx?id=21249&typeid=1>; Ohio Department of Environmental Protection, "Rover Pipeline Resumes Construction, Immediately Spills Contaminants in Ohio Stream; Notice of Violation #13 for Rover," September 22, 2017. <http://www.epa.state.oh.us/News/OnlineNewsRoom/NewsReleases/TabId/6596/ArticleId/1213/language/en-US/rover-pipeline-resumes-construction-immediately-spills-contaminants-in-ohio-stream.aspx>

<sup>12</sup> For example, see: "Firm behind Dakota Access pipeline faces intense scrutiny for series of leaks," *The Guardian*, May 25, 2017. <https://www.theguardian.com/environment/2017/may/25/energy-transfer-partners-dakota-access-oil-leaks-ohio>

<sup>13</sup> "Ohio EPA Hikes Penalties Against Rover Pipeline to \$2.3 Million and Turns the Case Over to the AG," WKSU, September 20, 2017. <http://wksu.org/post/ohio-epa-hikes-penalties-against-rover-pipeline-23-million-and-turns-case-over-ag#stream/0>

<sup>14</sup> Federal Energy Regulatory Commission, "Notice of Alleged Violations - Rover Pipeline, LLC and Energy Transfer Partners, L.P.," July 13, 2017. <https://www.ferc.gov/enforcement/alleged-violation/notices/2017/20170713-Rover-NAV.pdf>

<sup>15</sup> "Ohio files lawsuit against Rover Pipeline, citing environmental violations," PBS, November 3, 2017.

<https://www.pbs.org/newshour/nation/ohio-files-lawsuit-against-rover-pipeline-citing-environmental-violations>

- **Harming the climate** with projects that enable the expansion of upstream oil and gas extraction, leak methane (in the case of gas pipelines and compressor stations), and lock in downstream emissions of greenhouse gases.<sup>18</sup>

Yet ETP is now seeking to close a \$5 billion credit facility to replace existing facilities, including those referred to by you in your April remarks to shareholders. SEC records show U.S. Bank's share of these current credit facilities to be valued at more than \$275 million.<sup>19</sup>

In light of U.S. Bank's continuing commitments to ETP, despite its statements to shareholders last April, we urge U.S. Bank to:

- Allow its current credit commitments to ETP and Sunoco Logistics Partners to expire.
- Not enter into any new credit or underwriting agreements or other financing activities with ETP.
- Close the loophole in its Environmental Responsibility Policy by committing to phase out all financing activities with companies whose primary business is the construction of oil and gas transmission pipelines or related infrastructure.

We are encouraged that U.S. Bank excludes oil and gas pipelines from its project finance portfolio. We hope that U.S. Bank continues to take leadership in aligning its client relationships with its core values of social and environmental protection. The next step in this leadership should begin by ending all financial relationships with Energy Transfer Partners' family of companies.

**We respectfully request a response from you by Wednesday, December 6th, 2017.** Representatives from our coalition are available to meet at your convenience. Please contact Ethan Buckner, Earthworks Energy Campaigner, at [ebuckner@earthworksaction.org](mailto:ebuckner@earthworksaction.org) with your response.

Respectfully,

Jennifer Krill  
Executive Director  
Earthworks

Dallas Goldtooth  
Keep It In The Ground Campaign Organizer  
Indigenous Environmental Network

Steve Kretzmann  
Executive Director  
Oil Change International

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<sup>16</sup> For example, see: "Iowa Farmers Oppose Eminent Domain for Dakota Access Pipeline," *Michigan Journal of Environmental & Administrative Law*, March 3, 2017. <http://www.mjeal-online.org/iowa-farmers-oppose-eminent-domain-for-dakota-access-pipeline/>; "North Dakota landowners sue over Dakota Access easements," *Associated Press*, January 19, 2017. <https://apnews.com/6ba1b327268e4da0950cde2f81071b81/north-dakota-landowners-sue-over-dakota-access-easements>

<sup>17</sup> "PUC's West Goshen ruling cheers advocates for local control over pipelines," *StateImpact Pennsylvania*, October 27, 2017. <https://stateimpact.npr.org/pennsylvania/2017/10/27/pucs-west-goshen-ruling-cheers-advocates-for-local-control-over-pipelines/>

<sup>18</sup> "The Dakota Access Pipeline will lock-in the emissions of 30 coal plants," Oil Change International, September 2016. <http://priceofoil.org/2016/09/12/the-dakota-access-pipeline-will-lock-in-the-emissions-of-30-coal-plants/>; "The Rover Pipeline: Greenhouse Gas Emissions Briefing," Oil Change International, June 2017. <http://priceofoil.org/2017/06/07/rover-pipeline-greenhouse-gas-emissions-briefing/>

<sup>19</sup> Existing credit facilities include a \$3.75 billion facility held by ETP and a \$2.5 billion facility held by Sunoco Logistics Partners, a subsidiary to ETP, as of SEC filings from [February 10, 2015](#) and [March 20, 2015](#). U.S. Bank recommitted to ETP's \$3.75 billion dollar credit facility as of March 29, 2017, but the amount was not included in the [SEC filing](#).

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