



THE TAR SANDS' LONG SHADOW:

Canada's Campaign to Kill Climate Policies Outside Our Borders



Climate Action Network Canada

www.climateactionnetwork.ca

Executive Summary

Over the last few years, Canada's federal government has systematically tried to kill clean energy and climate change policies in other countries in order to promote the interests of oil companies. Its efforts are assisted by the Government of Alberta, and both governments draw some of their arguments straight from tar sands companies themselves.

By now, it's common knowledge that the Government of Canada is a laggard on climate change action, thanks to its weak target and the lack of any real plan to meet it. Similarly, the Government of Alberta's multi-million dollar public relations campaign in support of the tar sands has received quite a bit of media scrutiny.

But this report isn't just about op-eds and advertisements. The governments of Canada and Alberta are also engaged in something much more serious: a concerted effort to weaken climate policies outside our borders, with the aim of ensuring that no doors are closed to Canada's highly polluting tar sands.

In other words, Canada is not just exporting dirty oil anymore; we're also exporting dirty policies.

This report documents three specific Canadian attempts to undermine climate and clean energy policies outside our borders by lobbying against the following policies in other countries. The governments of Canada and Alberta are running campaigns to weaken:

- California's low-carbon fuel standard, which encourages cleaner burning fuels and discourages dirty fuels
- a U.S. federal clean fuels policy known as Section 526, which prevents government departments from buying the dirtiest kinds of fuels, and
- the European Union's Fuel Quality Directive, which is designed to help Europe move towards cleaner burning fuels

Unfortunately, those specific examples appear to be just the tip of the iceberg. Our report is based on a database of government letters, memos, speeches, and lobbyist reports — some of which have never been released before — that Climate Action Network Canada has assembled. Using Access to Information requests, we have uncovered evidence of a secretive "Oil Sands Advocacy Strategy" led by the federal Department of Foreign Affairs, with officials working in both the U.S. and the European Union.

Sadly, these attempts to ensure that no markets anywhere in the world are closed to the tar sands' dirty oil are easily the most proactive part of Canada's "climate policy."

By pinning their hopes to an ever-expanding tar sands sector, Canada and Alberta are making a bet that the world won't move to tackle climate change. In the process, they're squandering Canada's chance to be a leader in the clean energy economy: while other countries are investing in wind and solar, Canada is cutting funding to renewable power and subsidizing the tar sands. Even worse, our governments' approach ignores the consequences of climate change itself, putting people inside and outside of Canada at risk of devastating impacts that include droughts, storms, floods, and the spread of disease.

It's urgent that Canada fixes its climate policy failures at home. Over and above that, Canada and Alberta must stop lobbying for dirty energy outside our borders. Those governments must start representing Canadians, not the oil industry, when they engage with other governments.

This report shows that the governments of Canada and Alberta have been working very hard on climate change outside our borders — but, their efforts have been directed at making the problem worse. It's not too late to live up to Canadians' expectations and start doing the right thing. With this in mind we are calling on the governments of Canada and Alberta to stop all efforts to kill clean energy and climate policy in other countries.



A. Introduction

Picture a person swimming through a fast-moving river. As the water gets more and more turbulent, our swimmer starts to worry about going under, so she reaches out and grabs a tree branch to save herself.

Now imagine another person coming up to the riverbank and seeing the swimmer. He shows no interest in helping her climb out; instead, he starts trying to pull the branch out of her hands.

Of course none of us would do this to another human being. But it's not too far away from the approach the Government of Canada is taking towards climate policies in other countries.

Over the last few years, Canada's federal government has systematically tried to kill clean energy and climate change policies in other countries in order to promote the interests of oil companies. Its efforts are assisted by the Government of Alberta, and both governments draw some of their arguments straight from tar sands companies themselves. Just like our imaginary swimmer, these jurisdictions are trying to pull themselves away from dirty energy and the dangerous greenhouse gas pollution it creates — while some of Canada's governments work to drag them back down.

By now, it's common knowledge that the Government of Canada is a laggard on climate change action, thanks to its weak target and the lack of any real plan to meet it. Similarly, the Government of Alberta's multi-million dollar public relations campaign in support of the tar sands has received quite a bit of media scrutiny.

But this report isn't just about op-eds and advertisements. The governments of Canada and Alberta are also engaged in something much more serious: a concerted effort to undermine climate policies outside our borders, with the aim of ensuring that no doors are closed to Canada's highly polluting tar sands products.

“The simple message is the oil sands may appear to be gold. We do need energy and there's a lot of potential energy in the oil sands. But it is fool's gold because it's going to be clear and understood within a reasonably brief period of time that we cannot exploit unconventional fossil fuels like tar sands and tar shale. If we do, we're going to have to suck the CO₂ back out of the atmosphere.”

—James Hansen, NASA climate scientist¹⁵⁸

The tar sands account for just five per cent of Canada's total emissions¹ — but they wield a much greater weight in setting Canada's climate policy. As the tar sands have expanded, Canada's climate policy has weakened, to the point that the federal government has largely decided not to act at all unless the U.S. does.²

Polls confirm that this is not what Canadians want. In a survey of over 1,600 Canadians in June 2010, an overwhelming majority of respondents agreed that climate change “is a good issue for Canada to be a leader on, rather than waiting for others to act.” (Sixty nine per cent of respondents chose “strongly agree,” and 17% “somewhat agree,” for a total of 86%.)³

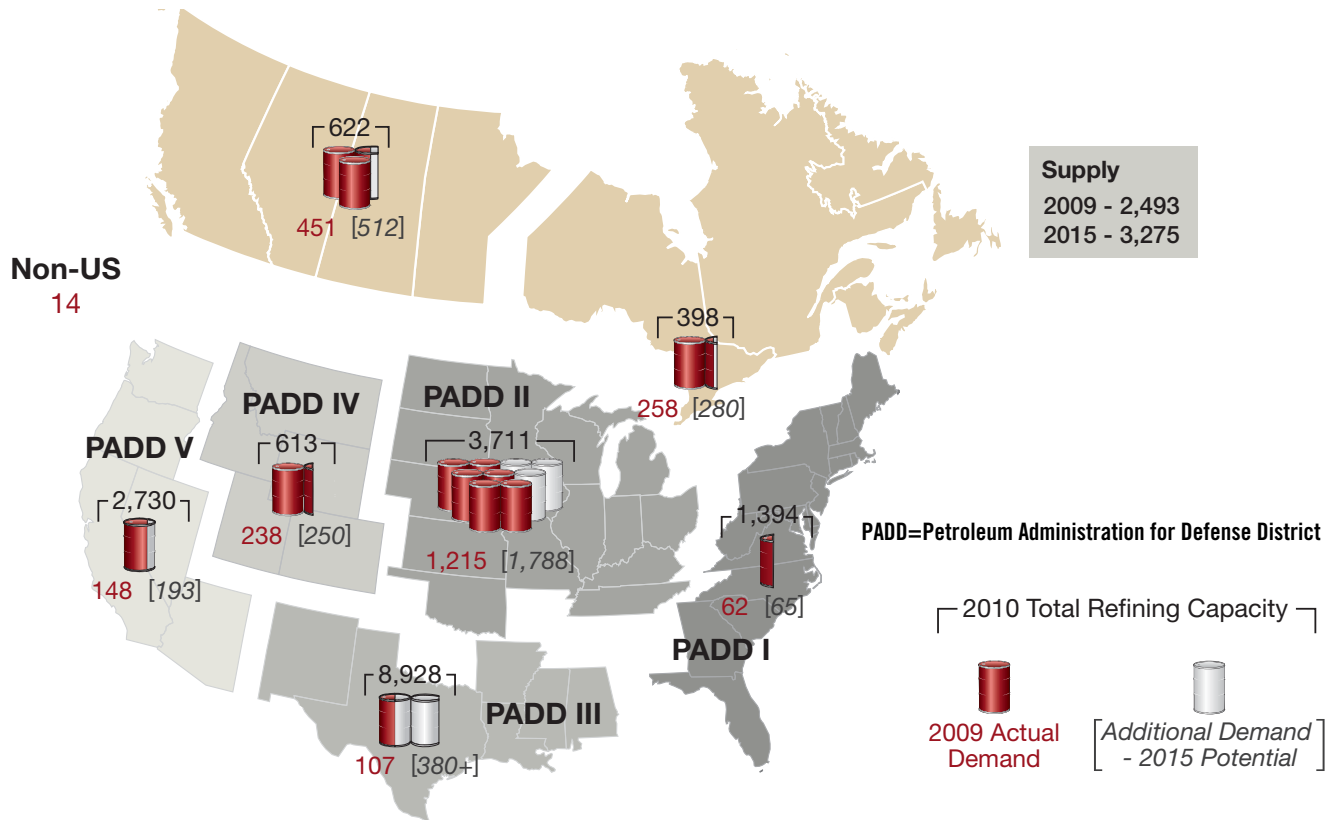
But as this report shows, Canada's climate failure doesn't end at home: Canadian governments are actively trying to stop progressive climate policies outside our borders too.

In other words, Canada is not just exporting dirty oil anymore; we're also exporting dirty policies.



Where Does Canada's Tar Sands' Oil End Up?

Figure 3.1 Market Demand for Western Canadian Crude Oil – Actual 2009 vs 2015 Potential



This summary report documents three Canadian attempts to undermine climate and clean energy policies outside our borders: California's low-carbon fuel standard, a U.S. federal clean fuels policy, and the European Union's Fuel Quality Directive. The report is based on a database of government letters, memos, speeches, and lobbyist reports — some of which have never been released before — that Climate Action Network Canada has assembled. Using Access to Information requests, we have uncovered evidence of a secretive "Oil Sands Advocacy Strategy" led by the federal Department of Foreign Affairs, with officials working in both the U.S. and the European Union.

That's not a responsible way for our governments to act. When other countries propose higher environmental standards, the simple and appropriate answer from Canada's governments should be to improve our own performance, helping our own country and others pull them away from dirty energy. Instead, Alberta and Canada have consistently chosen the low road, devoting time, money and political capital to lobbying for weaker standards.

It's time to separate oil and state.

"Oil sands development is about 2-3 times more energy intensive when compared to light western Canadian crude and consumes large amounts of natural gas."

—Natural Resources Canada presentation entitled "Addressing Oil Sands Issues in the United States" (March 2009), obtained through an Access to Information Request



This is what they're trying to protect:

Climate Impacts	Tailings	Water Use
<ul style="list-style-type: none"> - Average greenhouse gas emissions for tar sands oil are estimated to be 3.2 to 4.5 times as intensive per barrel as for conventional crude oil produced in Canada or the United States. - About 5% of Canada's total greenhouse gas emissions come from oil sands plants and upgraders. Oil sands are the fastest growing source of greenhouse gas emissions in Canada, and are projected to account for over 90% of our emissions growth between 2006 and 2020. - If Alberta were a country, its per capita greenhouse gas emissions would be higher than any other country in the world at 70.2 tonnes per person. 	<ul style="list-style-type: none"> - Tailings are a waste byproduct from the oil sands extraction processes used in mining operations. They are toxic to aquatic organisms and mammals, and contain chemicals that have been classified as cancer-causing agents. - Tailings are stored indefinitely in open lakes that cover an area that is already larger than the city of Vancouver. This area is growing fast, increasing in volume at a rate that would fill 80 Olympic-sized swimming pools each day. - Tailings lakes leak. The exact amount of leakage is either not known or has not been made public, although estimates suggest that as much as 4 billion litres of tailings leak each year. 	<ul style="list-style-type: none"> - Oil sands operations return almost none of the water they use to the natural cycle, often injecting waste water deep underground. - Mining operations alone are licensed to divert 652 million cubic metres of water each year, about seven times as much as the annual water needs of the Edmonton area. Mining requires between 2 and 4 barrels of water to extract and process one barrel of tar sands oil. - Current water withdrawals risk affecting the ecosystem of the Athabasca River, which flows into one of the world's largest freshwater deltas.

Climate: www.pembina.org/oil-sands/os101/climate , Water: www.pembina.org/oil-sands/os101/water, Tailings: www.pembina.org/oil-sands/os101/tailings

"The environment minister's job is to the work on building a clean energy economy, to work on fighting climate change, to work on environmental problems, not to promote something as dirty and destructive as the tar sands."

—Susan Casey-Lefkowitz, Natural Resources Defense Council⁶⁰

B. Case Studies

The three case studies below document three Canadian lobbying campaigns aimed at weakening climate and clean energy policies.

1. California's Low-Carbon Fuel Standard

On January 18, 2007, California Governor Arnold Schwarzenegger signed an Executive Order to establish a Low Carbon Fuel Standard (LCFS) policy. The Executive Order makes it clear that the purpose of the policy is to tackle climate change: its opening words are "greenhouse gas (GHG) emissions pose a serious threat to the health of California's citizens and the quality of the environment."⁴ The policy's goal is to reduce the carbon intensity of California's transportation fuels by at least 10% by 2020. ("Carbon intensity" means the greenhouse gas pollution emitted to produce each litre of transportation fuel.)

Unfortunately, the production of fuel from the tar sands creates three to five times more greenhouse gas (GHG) emissions than conventional petroleum production.⁵ Because tar sands oil has higher emissions than conventional oil, a "low carbon fuel standard" should discourage the use of tar sands oil, almost by definition.



And that's exactly the conclusion that a detailed policy analysis of LCFS policy options reached as well. In a paper published in August 2007, a team of experts led by two professors from UC Berkeley and UC Davis wrote that the LCFS will:

*"...restrain the trend toward investments in more carbon intense transportation fuels. These unconventional resources, including heavy oil, tar sands, oil shale and coal, have higher, sometimes much higher carbon emissions than fuels made from conventional petroleum. The LCFS is a response to this recarbonization of transportation fuels."*⁶

They add that ignoring the differences in emissions from fuel production ("upstream emissions") "would invalidate the purpose of the LCFS to a significant degree, especially if feedstocks produced from more carbon intensive resources such as tar sands or coal are to be included in a single baseline."⁷

In other words, distinguishing between cleaner and dirtier fuels is what makes the LCFS work. It's the heart of the policy — a fundamental part of the approach that allows California to achieve its goal of reducing GHG emissions.

"We estimate that GHG emissions from the Canadian oil sands crude would be approximately 82 per cent greater than the average crude refined in the U.S. on a well-to-tank basis."

—Cynthia Giles, U.S. Environmental Protection Agency⁵⁷

But that's not how Canada sees it. In a series of letters and presentations, Canadian officials have argued that "the LCFS should not make any distinctions among crude oil sources."⁸ This is like saying that you can't look at students' grades in deciding who gets the prize for being top of the class.

The Government of Canada intervened formally at least five times in the LCFS decision-making process, starting with a letter from Ambassador Wilson to the chair of the California Air Resources Board (CARB) on November 14, 2008. Canada raised many of the same arguments in each case; Appendix A of this report provides a list of those more detailed arguments and responses to each of them.

By April 21, 2009, the federal government's lobbying had escalated to more senior levels: Canada's then-Natural Resources Minister, Lisa Raitt, sent a letter to then-Governor, Arnold Schwarzenegger. Raitt's letter is notable for its veiled threat of future trade sanctions against California: the letter states that the LCFS "could be perceived as creating an unfair trade barrier between our two countries."^{9,10}

Throughout its campaign, the Government of Canada didn't have to lobby alone. Alberta's Premier, Ed Stelmach, spoke out against the LCFS as well. In a January 16, 2008 speech in Washington, Alberta's premier stated that:

*"There are ongoing attempts in some quarters of this country to slow down or even stop oil sands development. Those attempts don't reflect reality, and they don't make sense. Even worse, they could serve to jeopardize this country's energy security at a time when Asian markets are clamoring for oil. Look at climate change initiatives like California's Low Carbon Fuel Standard, for example."*¹¹

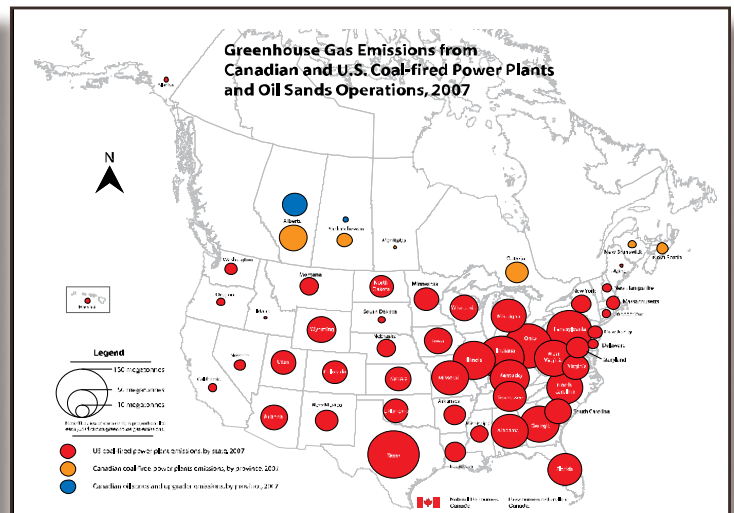
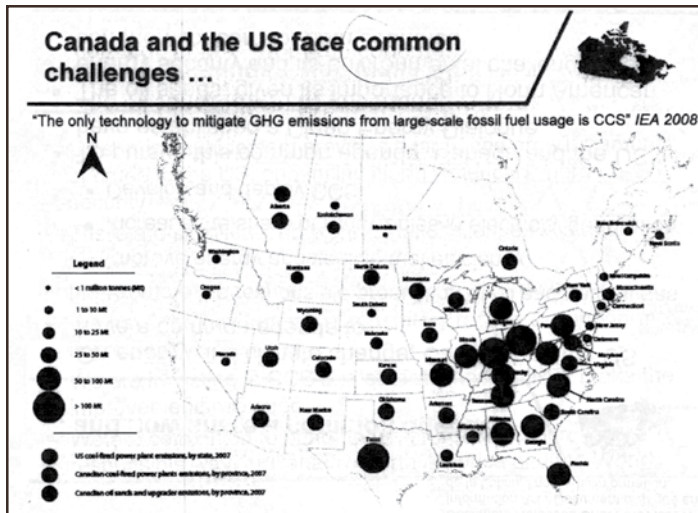
The Canadian Association of Petroleum Producers (CAPP), the industry association that represents tar sands companies and other fossil fuel companies, also lobbied heavily against California's LCFS. Appendix B of this report provides a side-by-side comparison of CAPP's arguments with the Government of Canada's. The degree of overlap is astonishing: despite CAPP's deep pockets, the federal government has chosen to act as the oil industry's echo chamber.

"There are significant environmental challenges in air, land and water. Improvements have been made but we must do better."

—Natural Resources Canada presentation entitled "Addressing Oil Sands Issues in the United States" (March 2009), obtained through an Access to Information Request



Industry's Influence



The slide on the left comes from a Natural Resources Canada document obtained through Access to Information legislation. The slide on the right, which is nearly identical, comes from a presentation by the Canadian Association of Petroleum Producers. This is just one demonstration of the close working relationship between the tar sands lobby and the Government of Canada.

The federal government's decision to take its lead from the oil industry doesn't just shape what Canada says, but also what the federal government isn't saying. Canada's letters fail to express any concerns about the impacts of climate change or the urgent need to reduce greenhouse gas emissions — despite the support for those views from large majorities of Canadian citizens. The government needs to remember who it's working for, and it's not supposed to be the oil industry.

"The oilsands represent the future prosperity of my province, and we're in this for the long haul. We're talking about a resource that, at current production levels, will sustain production of three million barrels of oil a day for over 150 years."

—Alberta Premier Ed Stelmach⁶²

The federal government's aggressive lobby campaign against the LCFS is all the more remarkable when compared to the potential implications this policy presents to Canada's oil industry. According to CAPP, oil imports from Canada are only two per cent of California's total, and that includes conventional oil as well as tar sands.¹² At most, California's LCFS could effect up to 27,000 barrels a day of oil imports from Canada — small change in an energy relationship that sees nearly 1.5 million barrels per day leave Alberta for the U.S.¹³

The good news is that, despite Canada's lobbying, California's regulators have held firm. They decided to maintain their plan of distinguishing between new "High Carbon Intensity Crude Oil" sources (the category that will likely include the tar sands) and a "baseline mix" that represents California's current crude supply. CAPP's response called the decision "unnecessary and inappropriate."¹⁴ Also, given that significant amounts of oil from the tar sands is refined in the U.S., in February 2010, the U.S. National Petrochemical and Refiners Association filed a lawsuit against the LCFS, citing the policy's effect of "discouraging the use of Canadian crude oil."¹⁵

Significant amounts of the oil from the tar sands is refined in the United States.



2. Section 526

Section 526 (S. 526) is a provision of the 2007 U.S. Energy Independence and Security Act that requires the U.S. government to buy fuels that meet an environmental performance standard.

“Expansion of tar sands oil development cannot be reconciled with the imperative to reduce the deterioration of our atmosphere.”

—Susan Casey-Lefkowitz, Natural Resources Defense Council⁵⁹

It does this by making it illegal for U.S. federal agencies to agree to a contract for any “alternative or synthetic fuel” unless the contract specifies that the lifecycle emissions from that fuel are “less than or equal to such emissions from the equivalent conventional fuel produced from conventional petroleum sources.”¹⁶ In other words, massive fuel purchasers like the U.S. military and the U.S. postal service cannot choose to buy fuels that are “dirtier” (from a greenhouse gas perspective) than conventional crude oil.

As noted above, the production of fuel from the tar sands creates three to five times more GHG emissions than conventional petroleum production¹⁷— so S. 526 would make it illegal for U.S. government agencies to sign contracts for tar sands oil.

It’s not easy to pass strong climate legislation in the U.S. Congress. In the case of S. 526, the key to success may have been that very few people learned about that provision until after the bill went into effect. The Canadian Association of Petroleum Producers — the tar sands’ main lobbying arm — have confirmed that oil companies overlooked the section at first.¹⁸

But only at first. In February 2008, Canada’s then-Ambassador to the United States, Michael Wilson, sent a letter to the U.S. Secretary of Defense about S. 526. Nowhere in the letter does Canada congratulate the U.S. for taking steps to reduce the environmental impacts of their government’s fuel supply. Instead, the Ambassador writes solely to explain that “Canada would not want to see” any interpretation of S. 526 that would result in the exclusion of tar sands oil, and to list reasons why Canada believes that S. 526 shouldn’t apply to oil from the tar sands.¹⁹

“Canada continues to work with U.S. partners to ensure that Section 526 will not be interpreted to exclude fuel derived from oil sands from any U.S. Government purchases.”

—from a draft Natural Resources Canada briefing note obtained through Access to Information legislation (dated December 5, 2008)

In March 2008, the author of S. 526, Congressman Henry Waxman, wrote his own letter about the interpretation of this provision. Waxman starts by explaining what he’s trying to accomplish with S. 526: “This provision ensures that federal agencies are not spending taxpayer dollars on new fuel sources that will exacerbate global warming.” For this reason, high-emission tar sands fuels can fall under the law: “section 526 would clearly apply to a contract that specifically requires the contractor to provide... a fuel produced from a nonconventional petroleum source, such as fuel from tar sands.” However, federal agencies could continue to enter into contracts to purchase regular fuels that contain a small amount of tar sands fuel, Waxman clarified, as long as the fuel is not “predominantly produced from an unconventional fuel source.”²⁰

This clarification did not put an end to opposition to S. 526. Conoco Phillips, an oil company that reported \$5 million (US\$) in lobbying expenses for just three months of 2010, continues to lobby against the provision.²¹ The American Petroleum Institute had eight lobbyists registered to work on S. 526 in 2009.²² But those companies’ massive lobbying efforts weren’t enough for the Government of Alberta, which decided it needed to add its own voice to the fight against cleaner fuels.



By April 2008, Alberta's Deputy Premier was holding meetings in Washington on S. 526.²³ By April 2009, the Government of Alberta had hired its own Washington lobbyists. Tellingly, the contracts for both consultants specify that they will "provide advice for dealing with initiatives that could impact our interests (e.g. the next Section 526)."²⁴

According to lobbying disclosure records, just one of the two lobbyists — former Michigan governor James Blanchard, along with others at his firm — participated in over 80 interactions with U.S. officials and politicians in the year beginning March 1, 2009, on behalf of the Government of Alberta. In exchange, he billed for over \$300,000 (US\$) in fees.²⁵

Two examples illustrate the effect that Alberta's anti-S. 526 campaign is having. The first concerns U.S. Senator Lindsey Graham, a Republican from South Carolina. According to lobbying reports filed on behalf of the firm PD Frazer Consulting, Alberta Premier Ed Stelmach met with Senator Graham on Thursday, May 6, 2010 in Washington.²⁶ Perhaps Premier Stelmach took advantage of that meeting to extend an invitation to Alberta, because Senator Graham was one of three U.S. Senators to tour the oil sands with Premier Stelmach on September 17, 2010. (One of the others was Senator Saxby Chambliss, a Republican from Georgia.) In the Government of Alberta's press release concerning that visit, Senator Graham is quoted as saying "I'm very excited that our good friends in Canada have an oil supply that can help fuel our nation for years to come. I'm also very impressed with the environmental sensitivities and full speed ahead when it comes to oil sands development."²⁷

Just two weeks later, on September 29, Senators Graham and Chambliss introduced a new bill. The Oil Sands Energy Security Act of 2010 (Bill S. 19), is less than a page long — and its sole purpose is to repeal S. 526. Since its introduction, the bill has been referred to the Senate committee on Energy and Natural Resources.²⁸

Representative Joe Barton (a Texas Republican) was another early target of the Alberta government. He met with Premier Ed Stelmach and Ted Morton, the minister of Sustainable Resource Development, on January 17, 2008 in Washington.²⁹ Within a few months, Barton was calling for a repeal of S. 526. His office produced a set of anti-S. 526 talking points for the Republican members of the House Energy & Commerce Committee; the notes state that limiting the Pentagon's choices of fuel suppliers "does nothing less than put our national and economic security at risk."³⁰

"We've recently hosted the ambassadors from the European Union and from Italy. From afar they have viewed us and said two things about Canada: they wonder about the seal hunt; they wonder about the allegation of dirty oil."

—Alberta Minister of International and Intergovernmental Relations Iris Evans, March 17, 2010
(Alberta Hansard)

Luckily, those who support S. 526 are fighting back, and the battle is far from over. In June 2010, the U.S. Sierra Club sued the Department of Defense:

"for its contracting for fuel containing tar sands in violation of the Energy Independence and Security Act of 2007... Because the life cycle greenhouse gas emissions of tar sands oil are greater than conventional oil, the lawsuit contends that the Department of Defense must stop entering into those contracts or require the fuel obtained meet this limit on global-warming causing greenhouse gases."³¹

In response, the American Petroleum Institute (along with the National Petrochemicals and Refiners Association and the U.S. Chamber of Commerce) filed a suit in support of the Pentagon, against the Sierra Club's.³² The ultimate outcome of legal challenges like these remains to be seen.



3. The European Union's Fuel Quality Directive

In 2007, the European Union's members started work on an initiative to clean up their transportation fuel. The EU already had a Fuel Quality Directive in effect, but members decided to revise it "to help combat climate change by reducing greenhouse gases from transport fuels," as well as reducing air pollution.³³ Like California's LCFS approach, the EU's policy-makers envisioned meeting their environmental goal by blending more biofuels into their gasoline or reducing emissions from the production of fossil fuels. In the final version of the Directive, passed in 2009, fuel suppliers are required to make a mandatory 6% emission reduction by 2020, compared to a 2010 baseline.³⁴

The EU officials charged with implementing the directive prepared a table comparing GHG emissions from fuel production, which found that:

- Production emissions from "petrol" (gasoline) are 85.8 grams of CO₂-equivalent per megajoule
- Diesel production emissions are 87.4
- Tar sands production emissions are 107 — the second-highest of all the fuel studied (hydrogen from coal was found to have much higher emissions), and nearly 20% greater than emissions from petrol or diesel.³⁵

Once again, Canada's diplomats and officials swung into action. In January 2010, Canada's Ambassador to the EU, Ross Hornby, sent a letter to the Director General of the EU's Environment Directorate, arguing that the fuel quality proposal would create "a large administrative burden and prohibitive costs." According to Hornby, separating oil sands from other types of fuels "is not science-based" and constitutes "unjustifiable discrimination against the oil sands."³⁶ This followed up an earlier letter (September 24, 2009) from a senior official at Natural Resources Canada named Kevin Stringer, who pointed out that "many European-based oil companies such as British Petroleum, Royal Dutch Shell, StatoilHydro, and Total" are active players in Canada's tar sands.³⁷ And despite acknowledging that "the Commission is not seeking comments regarding biofuels at this time," Hornby sent a separate letter in to question the EU's biofuels accounting methodology — unlike Canada,³⁸ the EU plans to account for both the indirect and direct effects on land use that biofuel production creates. Like his tar sands letter, Hornby's biofuels letter states that the EU's environmental proposals "could potentially distort trade between Canada and the EU."³⁹

"We're having an impact. We've managed to convince the New Democrats to quit calling it tar sands and start calling it oil sands. We've got the European Union starting to look at the need to reassess some of the initiatives they've taken, based on, I would say, not the best information, so we need to keep up the campaign."

—Alberta Minister of Energy Ron Liepert⁶¹

EU records confirm that only one "non-EU Member State" participated in their Fuel Quality Directive consultation.⁴⁰ Outside of the EU, then, Canada's government stands alone in seeking to dilute the cleaner fuels policy.

Canada's extremely proactive lobbying on behalf of the tar sands is all the more remarkable because the tar sands do not currently export any oil to the EU⁴¹ — so any implications for the tar sands from the application of the EU's fuel quality policy are theoretical for now.

At first, it looked like Canada's lobbying had paid off. Media reports of a new consultation paper on March 25, 2010, stated that EU officials had dropped all references to tar sands as a separate category, which would allow tar sands oil to be treated the same way as lower-emissions fuels from conventional sources of petroleum. (The article adds that "Canada had raised the issue [of the Fuel Quality Directive] frequently during trade talks with the EU.")⁴² Alberta's energy minister celebrated the EU's new stance with the words "we're having an impact."⁴³

However, thanks to support from several Members of European Parliament, the EU now appears to be reconsidering. According to Reuters, the most recent draft of the proposed regulations will include a specific value for tar sands oil instead of assigning it the default value, as Canada had suggested. The new draft delays the announcement of the specific tar sands emissions value until December 2011.⁴⁴



C. Ongoing Lobbying Initiatives

At a time when scientists are calling for urgent action to cut greenhouse gas pollution, the governments of Canada and Alberta have an entirely different vision of the future. For them, success means expanding the tar sands as fast as possible — and realizing that “dream” means making sure that no market anywhere in the world closes its doors to dirty oil.

Because they are betting Canada’s economic future on highly polluting fossil fuels, the governments of Canada and Alberta see clean energy policies outside of our borders as threats to the tar sands’ future prosperity.

“Today, because of the environmental issues, it’s not about selling oil, it’s about defending oil. It’s a harder job.”

—Gary Mar, Minister-Counselor for Alberta to Washington, D.C.⁶³

Because many other governments don’t see things the same way, defending this twisted vision of Canada’s economic future requires a very significant lobbying effort. The three case studies above show Canada and Alberta lobbying against individual climate and clean energy policies, often working in close partnership with the oil industry. Unfortunately, it looks like those specific examples are just the tip of the iceberg.

While there’s no doubt much more going on that we don’t know about, here are a few “highlights” of Canada and Alberta’s ongoing lobbying efforts:

- Gary Mar, the “Minister-Counselor” for Alberta in Washington D.C., travelled to the Wisconsin Senate to express his concern about a bill that “opens the door” to a Wisconsin LCFS. His presentation included a reference to the “discriminatory nature of the California LCFS.”⁴⁵
- During the same presentation, Mar mentioned Alberta’s recent hosting of a visit from the Midwest Governors’ Association “LCFS advisory group.” Mar said that the group used their visit to Alberta to discuss the ways that LCFS legislation “could further harm international relations, trade and energy security.”
- According to media reports, Gary Mar “has visited more than 20 governors to emphasize the economic importance of the oil patch. He enters armed with local statistics: 70,000 employment hours from pipeline work around Peoria, Ill.; engines for the world’s largest dump trucks are made in Lafayette, Ind.; and the truck’s 12-foot tall tires, at \$60,000 apiece, are made in South Carolina.”⁴⁶ (Interestingly, a presentation from the Canadian Association of Petroleum Producers provides nearly the same information, as seen in the CAPP slide shown at right.)
- When questioned in the legislature about the costs of Alberta’s lobbying effort, Premier Stelmach responded by stating that “we have a revenue stream of approximately \$40 billion at stake, and we’re going to have to put a full-court press on the United States, including all the governors, all of the public administration that we’re dealing with.”⁴⁷
- In the same exchange, the Premier also took credit for the work of “our representative” (meaning Gary Mar) in weakening climate policy: “with respect to the state of Maryland, he worked very diligently with the Legislature there to remove its anti oil sands bill. Also, in the state of Minnesota he testified on the state’s low carbon fuel standard and was able to garner support for the oil sands. That’s just those two states.”

Integrated trade means that funds used to purchase crude oil from Canada are more likely to be spent in the U.S.

Oil Sands Heavy Hauler Trucks

- The 200th Caterpillar 797 hauler delivered April 2009
 - The engine is made in Lafayette, Indiana
 - The largest frame component is cast in Amite, Louisiana
 - The cab is made in Joliet, Illinois
 - The frame is welded together and the engine is installed in Decatur, Illinois
 - The huge Michelin tires are made in Lexington, South Carolina
 - The dump body and final assembly takes place at the mine site near Fort McMurray, Alberta



Oil Pipeline Construction

- Billions of dollars of pipelines being built
 - eg. Enbridge Clipper and TransCanada Keystone
- Using steel and creating jobs
- Major regional economic stimulus



Refinery expansions underway

- Several expansions and modifications are underway
 - eg. BP Whiting Indiana and Marathon Detroit Michigan
- Providing significant jobs and local benefits



- The Alberta government’s press release of a diplomatic “mission” to the EU by MLA Diana McQueen lists a meeting with the “Oil Sands Advocacy Group” of Canada’s Department of Foreign Affairs and International Trade on McQueen’s agenda. No other information about this “advocacy” group is provided in the Government of Alberta press release, but it appears that the meeting took place in the United Kingdom.⁴⁸
- The existence of an Oil Sands Advocacy Group in the U.K. accords with the federal Department of Foreign Affairs’ 2010 plan, which states that the department will seek to “increase multi-mission regional advocacy in European capitals to...promote Canadian interests regarding oil sands.”⁴⁹
- Through an Access to Information request, we also found reference to an “Advocacy Strategy” on oil sands for the U.S.” led by the Department of Foreign Affairs.⁵⁰ So while it’s clear that this “advocacy team” is active in at least two jurisdictions, we don’t yet know how long the team has been in existence; what its budget is; how many officials participate; which cabinet ministers are involved in managing and working with it; and what its goals are.

Climate Action Network Canada obtained a set of briefing notes, emails and powerpoint presentations from Natural Resources Canada that were requested under Access to Information legislation. One of those documents, a 2009 briefing note prepared for the Minister of Natural Resources, opens with the statement that:

“...there have been a number of well-orchestrated media campaigns, restrictive legislative and regulatory proposals that associate oil sands with ‘dirty oil.’ There is a need to ensure the Government is more proactive in providing accurate and factual information to address those views.”⁵¹

Far from calling them climate or clean energy policies, the note refers to S. 526 and California’s LCFS as “political lobbying.” But despite this dismissal of other jurisdictions’ efforts to support cleaner fuels, the note acknowledges that oil sands production is “energy and water intensive,” has “higher GHG emissions,” and creates “large tailings ponds which sit permanently on the landscape without appropriate treatments.”⁵²

The note states that Natural Resources Canada (NRCan) is developing “a work program for an oil sands engagement strategy.” Unfortunately, it’s clear that the oil industry is in on the ground floor in shaping this strategy: the briefing note says that oil sands industry representatives are “pleased that this process is underway at NRCan.” It also reports that government officials have already met with CAPP to talk about public engagement, which the department views as “an opportunity for further coordination with industry and other stakeholders.”⁵³ (However, no other non-governmental stakeholders are mentioned in the note.)

CAPP’s influence is also visible in a set of internal emails written to plan an “interdepartmental session on oil sands”: the invitation emails for the meeting provided a powerpoint presentation on the oil sands from CAPP “as background information” for all attendees.⁵⁴

Excerpts from: DRAFT #3: Natural Resources Canada Communications Plan – Oil Sands

Environmental Analysis: Public Opinion Research (Excerpts)

- 72% of Canadians say the federal government should play a more active role in managing the oil sands.
- 79% of Canadians say oil sands GHG emissions should be capped at current levels and then reduced.
- 52% of Canadians say approvals for new projects should be suspended until environmental management issues are resolved.
- 46% of Canadians say that environmental concerns are more important than the oil sands’ potential as a secure, non-foreign supplier of oil to North America.
- 43% of Canadians say the opposite – that the oil sands’ potential as a secure, non-foreign supplier of oil to North America is more important than the environmental concerns.
- Aboriginal leaders have “declared war” on the oil sands.

Draft NRCan Oil Sands Communications Plan. Pg.3-4. (ref. 49)



D. Conclusion

In a recent speech, then-Environment Minister Jim Prentice said that the development of the oil sands has “become an international issue and as such, they now transcend the interests of any single corporation. What is at issue on the international stage is our reputation as a country.”⁵⁵

He’s right that the tar sands are damaging Canada’s international reputation, but he fails to acknowledge who’s really at fault. Canada’s reputation is suffering because our governments have allowed — indeed, have actively encouraged — tar sands development without any meaningful environmental limits.

As this report describes, Canada and Alberta have collaborated in an attempt to protect business-as-usual in the tar sands from environmental standards set by other countries. Rather than asking for environmental improvements that would allow tar sands companies to meet environmental standards, our governments have worked to realize the industry’s dreams of further tar sands expansion, barely acknowledging the need to cut emissions.

Sadly, these attempts to ensure that no markets anywhere are closed to Canada’s dirty oil are easily the most proactive part of Canada’s “climate policy.”

By pinning all their hopes to an ever-expanding tar sands sector, Canada and Alberta are making a bet that the world won’t move to tackle climate change. In the process, they’re squandering Canada’s chance to be a leader in the clean energy economy: while other countries are investing in wind and solar, Canada is cutting funding to renewable power and subsidizing the tar sands. Even worse, our governments’ approach ignores the consequences of climate change itself, putting people inside and outside of Canada at risk of devastating impacts that include droughts, storms, floods, and the spread of disease.

In the speech cited above, Minister Prentice said that “we aspire to be a respected and an environmentally responsible producer of all forms of energy, whether renewables such as hydro, or non-renewables such as the oil sands.” Given Canada’s lobbying activities, is it any wonder that other countries don’t see us that way?

In letters to other governments, Canada has questioned other countries’ sincerity in tackling climate change, arguing that their policies will achieve the opposite effect. In Canada’s eyes, policies that treat some fuels as cleaner than others are not climate solutions, but “unjustified discrimination.”

The good news is that Canada has not always succeeded in persuading other governments to weaken their policies. The EU’s Fuel Quality Directive is a question mark, thanks to a one-year delay on its tar sands emission approach. But California plans to proceed with a fuel standard that does distinguish between dirty and cleaner fuels, while the correct interpretation of Section 526 is now being contested in the courts.

As numerous studies have documented, the governments of Canada⁵⁶ and Alberta have been missing in action in imposing meaningful environmental limits on the tar sands. In addition, the federal government has failed to set a science-based national emissions target or establish an effective plan to meet its current target. The federal government’s most glaring climate policy failure is its continuing lack of any effort to put a price on greenhouse gas pollution.

“Monitor and seek to influence policy developments in key markets that may affect Alberta’s economic interests.”

—Strategy 1.6 of Alberta’s International and Intergovernmental Relations Business Plan 2010–13⁶⁴

It's urgent that Canada fixes these failures at home. Over and above that, Canada and Alberta must also stop lobbying for dirty energy outside our borders. Those governments must start representing Canadians, not the oil industry, when they engage with other governments.

More specifically, the federal and Alberta governments should disclose the extent of their lobbying efforts. The federal government should explain to Canadians the goals of the international "Oil Sands Advocacy Strategy" that the Department of Foreign Affairs is leading. Canadian taxpayers also deserve to understand how much money the federal government is spending relaying the oil industry's spin to more progressive governments outside our borders.

This report shows that Canada's governments have been working very hard on climate change — but their efforts in other countries have been directed at making the problem worse. It's not too late to live up to Canadians' expectations and start doing the right thing. We are calling on the governments of Canada and Alberta to stop all efforts to kill clean energy and climate policy in other countries. This is a reckless approach to energy policy that needs to be brought to an end.

Appendix A: Canada's Case Against Climate Action

The Government of Canada makes many of the same basic arguments each time it tries to shield the tar sands from climate policy. The table below presents some general (and some more specific) positions that the federal government has used to try to weaken climate action, and offers responses to each of them.

Table 1: Responses to Canada's Main Arguments Against Cleaner Fuel Policies

GOVERNMENT OF CANADA POSITION	RESPONSE
<p>Energy Security:</p> <p>Wilson: "In helping to fuel the American economic engine, Canada offers the U.S. enhanced energy security."</p> <p>Stringer: "Not only are these [non-Canadian] sources less secure, but revenues from the exploitation of some of them help fund foreign elements which threaten our security."</p>	<p>Energy security is Canada's (and Alberta's) favourite argument in making the case for the tar sands. This argument shifts away from environmental considerations, where the tar sands are on weak ground, to a favourable political comparison to other oil-producing states.</p> <p>But Canada's position ignores the security risks of climate change itself, which the U.S. Department of Defense has assessed as having the potential for "significant geopolitical impacts around the world, contributing to poverty, environmental degradation, and the further weakening of fragile governments."⁶⁵</p> <p>The only way to ensure both energy security and climate security is to make a transition away from fossil fuels.</p>
<p>Crude Shuffling:</p> <p>Raitt: "Favouring different crude oil sources could lead to a shuffling of crude oil supply, where lighter crudes are sent to California and heavier crudes are sent to other jurisdictions, leading to no change or possibly higher GHG emissions on a global level."</p>	<p>If this were true, it would be a concern, because GHGs cause the same damage no matter where in the world they are emitted; there is no environmental benefit to simply "shuffling" emissions. But in the case of the tar sands, the U.S. is currently the only export destination. Although there is a proposal for a pipeline to the B.C. coast, which would open up other markets, it faces strong opposition along the pipeline's route, in addition to a de facto moratorium on tanker traffic on the B.C. coast.</p> <p>More generally, "crude shuffling" is a variation on the argument of "leakage," which is brought up by industry groups virtually any time that a jurisdiction proposes a leading environmental policy. European analyses of existing climate policies have found that industries overestimated the costs of policy actions and underestimated their ability to respond.⁶⁶ In reality, experience in states like California confirms that individual jurisdictions can show leadership and create environmental, economic and social benefits from doing so.</p>



<p>Tar sands oil is virtually the same as conventional oil:</p> <p>Stringer EU: “some oil sands pathways would have lower life cycle emissions compared to some lighter crude oil pathways...the life cycle GHG emissions from oil sands crude being approximately 5 to 15 per cent higher than the average crude consumed in the United States.”</p>	<p>When the Government of Canada talks about tar sands emissions, officials almost always use a measure called “well to wheels” emissions, which includes all the emissions from both producing and burning the fuel. Because fuels are processed to ensure consistency, combustion emissions from almost any crude are virtually identical, and these emissions make up about 80% of the total emissions from fuel use.</p> <p>A more relevant comparison for cleaner fuel policies (like the LCFS) is “well to tank” emissions, which means only the emissions from producing the fuel. There, Canada’s tar sands are three to five times more emissions-intensive than conventional crude. But even using well-to-wheels measures, tar sands emissions are among the highest.⁶⁷ (In addition, the 5-15% figure that Canada often cites has been disputed by experts.⁶⁸)</p>
<p>The policy is too complex to administer:</p> <p>Stringer: “Crude oil is often blended throughout the North American pipeline system, mixing crude oils derived from different sources. This makes tracking crude oil blends used by refiners to their source a particular challenge.”</p>	<p>A 2007 LCFS analysis led by two California professors looked at a similar assertion and found it unconvincing. According to their research, the oil industry already tracks the origin and other properties of crudes very carefully: “In order to operate refineries safely and economically, refiners know the source of every delivery of crude oil, often to the field level, and properties like gravity (density), viscosity, sulfur content and so forth. Adding one more data field to this information is a non-trivial task, but not a very difficult one.”⁶⁹ Indeed, if it wasn’t possible to differentiate between different types of crude coming into a pipeline, the tar sands would have nothing to worry about!</p>
<p>Unjustified discrimination:</p> <p>Raitt: “Any unjustifiable discrimination against Canadian crude oil could be contrary to the international trade obligations of the United States.”</p>	<p>Far from being “unjustifiable,” preferring cleaner fuels to dirtier ones is the essence of the LCFS policy. Setting an environmental standard that differentiates between fuels is not “discrimination”; it’s a means to reduce GHG emissions. California’s regulators have proposed a pathway of evidence-based tests to determine whether a source of crude oil that’s not already part of their baseline qualifies as “high carbon intensity.” If Canada’s crude met the environmental standard, it would not face any “discrimination.” For example, tar sands operations that made use of carbon capture and storage technologies to reduce their emissions could avoid the LCFS’s “high carbon” designation.</p>
<p>The tar sands are improving their performance:</p> <p>Wilson: “Between 1990 and 2006, oil sands GHG emissions per barrel were reduced, on average, by 32 percent, one of the best emission reductions achievements by Canadian industry.”</p>	<p>It’s important to note that absolute GHG emissions from the oil sands nearly tripled between 1990 and 2006, growing from 10 million tonnes (Mt) to 28 Mt. So there was no “emission reduction achievement” in the tar sands. (In fact, a 2009 Natural Resources Canada briefing note to the minister cites the 32% intensity improvement, but adds immediately afterwards that the “increased scale of development has outpaced this GHG improvement.”⁷⁰)</p> <p>According to internal government briefing notes obtained through an Access to Information request, “the dramatic energy efficiency gains of the past two decades are unlikely to be continued in the future unless there is a substantive shift to new... technologies.” That’s because the “easier” improvements have now already been made, and tar sands production as a whole is shifting to more emissions-intensive “in situ” production methods.⁷¹</p>



<p>Canada is acting on climate change:</p> <p>Wilson: “The Government of Canada has committed to an absolute reduction in GHG emissions of 150 megatonnes, or 20 percent, from 2006 levels by 2020, and is taking strong measures in this regard through a comprehensive regulatory plan. For the first time, the federal government will establish regulations requiring industry, including the oil sands sector, to reduce GHG emissions.”</p>	<p>Unfortunately, this picture of Canada’s climate action is now wholly inaccurate. Since that letter was written, Canada has weakened its target, and now aims for a 17% reduction below the 2005 level by 2020, which is approximately 6 percentage points weaker than the target Wilson cites.</p> <p>Canada has no “comprehensive regulatory plan.” Instead, Canada’s “plan” is to wait for the United States before acting to cut emissions. This approach has allowed Canada to move forward with regulations on passenger vehicle fuel efficiency when the U.S. did, but U.S. delays in passing cap-and-trade legislation means no progress at all on carbon pricing at the federal level in Canada.</p> <p>The federal government currently has no plans to require any industry, including the oil sands sector, to make absolute reductions to GHG emissions. (The federal government is currently drafting regulations that would apply to coal-fired electricity plants, but these would take effect only after 2015 and would not require absolute emission reductions during the plants’ operating lives.)</p>
<p>California’s oil is dirtier than Canada’s:</p> <p>Raitt: “California’s own heavy crude oil is estimated to have recovery emissions of approximately 19 grams of CO₂e/MJ; this is similar to or higher than the range of emissions associated with extracting oil sands crude.”</p>	<p>The LCFS regulations propose to create a “basket” of “baseline” crudes that will all receive a default value. California heavy crude would be placed in that basket, despite being emissions-intensive. Tar sands oil – which currently makes up less than 2% of California’s oil supply – is not part of that baseline, so it would not receive the default value, and thus would be responsible for its real emissions instead of a lower average value.</p> <p>That’s because the LCFS is designed to ensure that transportation fuels in California in 2020 will be 10% less emissions-intensive in 2020 than they were in 2006. Adding more tar sands oil to that baseline now would increase California’s emissions intensity, making future fuels dirtier than the baseline — while California heavy crude is already part of “business as usual.”</p> <p>LCFS regulators also note that California’s refineries will be subject to absolute emission caps under a proposed cap-and-trade system.⁷² In contrast, Alberta’s intensity-based emission pricing system does not put a cap on the province’s emissions.</p>

Wilson: Letter from Ambassador Wilson to Chairman Mary D. Nichols, November 14, 2008. (This letter concerns the California LCFS.)

Stringer: Letter from Kevin Stringer (Director General, Petroleum Resources Branch, Natural Resources Canada) to the California Air Resources Board, March 4, 2009. (This letter concerns the California LCFS.)

Stringer EU: Letter from Kevin Stringer (Director General, Petroleum Resources Branch, Natural Resources Canada) to Philip Owen, Head of Unit, Environment Directorate-General, European Commission, September 24, 2009. (This letter concerns the EU Fuel Quality Directive.)

Raitt: Letter from Natural Resources Minister Lisa Raitt to the Honorable Arnold Schwarzenegger, Governor of California, April 21, 2009. (This letter concerns the California LCFS.)

See <http://www.pembina.org/pub/1966> for a summary of Canada’s 2008 emissions.



Appendix B: Straight from the Tar Sands' Mouthpiece

The Canadian Association of Petroleum Producers (CAPP) is the main lobbying arm for the tar sands. Table 2, below, provides a side-by-side comparison between CAPP's arguments against California's Low-Carbon Fuel Standard (LCFS) policy and the Government of Canada's arguments.

While the Government of Canada also makes some arguments not included here (as CAPP also does, in a longer letter to chair of the California Air Resources Board), there is a remarkable degree of overlap between the oil industry's positions and the Government of Canada's.

Table 2: Comparison of CAPP and Government of Canada's Positions

CAPP position ⁷³	Mirrored in Government of Canada position ⁷⁴
The LCFS "would disrupt Canada-U.S. crude oil trade," thereby sending oil supplies to other markets, leading to higher GHG emissions overall	The LCFS could lead to "crude shuffling" to other jurisdictions, leading to "possibly higher GHG emissions on a global level" - See table 1: "Crude shuffling" for why this is incorrect
The LCFS would be "detrimental to U.S. energy security"	The LCFS would "take away from the energy security benefits derived from reducing oil dependence by promoting the use of crude oil from less secure sources around the world" -See table 1: "Energy security" for why this is incorrect
The LCFS should not "discriminate against oil sands crude." Instead, the policy should use a "single crude basket" for all crude oils	"We believe that making any distinctions among crude oil sources may go beyond the reasonable boundaries of the LCFS, undermine its effectiveness and possibly lead to unintended consequences." -See table 1: "Tar sands oil is virtually the same as conventional oil" for why this is incorrect
Alberta is already pricing carbon, and "the LCFS should not attempt to manage those emissions that are being addressed directly by broad carbon pricing"	"The scope of the LCFS encroaches into the scope of other, arguably more effective, regulatory tools such as a national or continental cap and trade program." (Author's note: Alberta is the only jurisdiction in the industrialized world that has established a target to increase its GHG emissions over the next ten years)
Alberta and Canada are already investing in carbon capture and storage (CCS)	"the Canadian government and the Government of Alberta combined have committed \$3 billion dollars in CCS technology." (Author's note: none of the emissions from tar sands production are currently captured through CCS)
Canada's federal government "is planning a system of carbon pricing"	"the Government of Canada is committed to a climate change strategy that...will lead to significant reductions in GHG emissions from all sectors of the economy" -See table 1: "Canada is acting on climate change" for why this is incorrect
Some of California's current crude supply "within the range" of oil sands emission intensities	"some crude oils that might be deemed 'conventional' could have carbon intensities about the same as, if not higher than, oil sands derived crude oils." ⁷⁵ -See table 1: "California's oil is dirtier than Canada's" for why this is incorrect



Endnotes

Please note that the number found in brackets following the endnote is the document reference number for cross-reference in the online database found on Climate Action Network Canada's website

- 1,2 The main exception to that rule is a proposal to regulate coal-fired electricity plants, but at this stage there are no regulations or even draft regulations in place.
- 3 This online survey was conducted by the Gandalf Group from June 17 to 27 for Climate Action Network Canada.
- 4 Office of the Governor, Executive Order S-01-07, January 18, 2007. (Ref.101)
- 5 Jen Grant et al, Clearing the Air on Oil Sands Myths (The Pembina Institute, June 2009), <http://www.pembina.org/pub/1839>.
- 6 Farrell and Sperling, *A Low-Carbon Fuel Standard for California* (Part 2: Policy Analysis), August 1, 2007, 2. (ref. 104)
- 7 Ibid., 42. (ref.104)
- 8 Letter to the California Air Resources Board from Kevin Stringer (Director General, Petroleum Resources Branch), March 4, 2009. (ref.11)
- 9 For details of the full set of LCFS letters, see database entries (ref. 13 -14)
- 10 Letter from Minister Lisa Raitt to Governor Arnold Schwarzenegger, April 21, 2009. (ref 13)
- 11 Speech to the Alberta Enterprise Group Energy Forum, Washington D.C., January 16, 2008. (ref. 3)
- 12 CAPP, "CAPP Response to CARB decision," April 24, 2009 (ref 18).
- 13 Government of Alberta, "US-Alberta Relations," Fact Sheet, September 2009.
- 14 CAPP, "CAPP Response to CARB decision," April 24, 2009 (ref.18).
- 15 National Petrochemical and Refiners Association, "NPRA Files Legal Challenge Regarding California LCFS," February 2, 2010, [http://www.npra.org/newsRoom/pressReleases/?fa=viewCmsItem&title=News Release&articleID=3513](http://www.npra.org/newsRoom/pressReleases/?fa=viewCmsItem&title=News+Release&articleID=3513).
- 16 The full text of S. 526 reads: "No Federal agency shall enter into a contract for procurement of an alternative or synthetic fuel, including a fuel produced from nonconventional petroleum sources, for any mobility-related use, other than for research or testing, unless the contract specifies that the lifecycle greenhouse gas emissions associated with the production and combustion of the fuel supplied under the contract must, on an ongoing basis, be less than or equal to such emissions from the equivalent conventional fuel produced from conventional petroleum sources."
- 17 Jen Grant et al, Clearing the Air on Oil Sands Myths (The Pembina Institute, June 2009), <http://www.pembina.org/pub/1839>.
- 18 Chris Arsenault, "Biggest Customer Has Second Thoughts," IPS News, Oct. 20, 2008 (ref.110)
- 19 Letter to the Honorable Robert Gates from Ambassador Michael Wilson, February 22, 2008 (ref.4).
- 20 Letter to the Honorable Jeff Bingaman from Rep. Henry Waxman, March 17, 2008 (ref.5).
- 21 ConocoPhillips Lobbying Report, Q2, 2010, 3.(ref.60)
- 22 American Petroleum Institute Lobbying Report, Q3, 2009, 7. (ref.61)
- 23 Government of Alberta, "Washington mission aims to build on Alberta-U.S. relations," news release, April 23, 2008 (ref 6).
- 24 For DLA Piper: Agreement 09-51, Schedule A, March 12, 2009. Filed under the Short-Form Registration Statement Pursuant to the Foreign Agents Registration Act of 1938, as amended, for James J. Blanchard (April 14, 2009). For PD Frazer Consulting Inc.: Agreement 09-50, Schedule A, Exhibit A to Registration Statement Pursuant to the Foreign Agents Registration Act of 1938, as amended, for PD Frazer Consulting Inc., March 20, 2009.
- 25 DLA Piper LLP (US), FARA Supplemental Statement for the period March 1, 2009 to August 31, 2009 and FARA Supplemental Statement for the period Sept. 1, 2009 to February 28, 2010.
- 26 3 Click Solutions, RE: Meetings with the Hon. Ed Stelmach, Premier of Alberta (PD Frazer Consulting), May 10, 2010, 2.
- 27 Government of Alberta, "Stelmach gives U.S. senators tour of oil sands," news release, September 17, 2010. Readers who follow U.S. climate policy may remember Senator Graham as the lone Republican who considered supporting a climate bill in the U.S. Senate. However, Senator Graham ultimately decided to drop out of the negotiations on the bill, leaving Senators Kerry and Lieberman to introduce a bill that lacked the support it needed to move forward.
- 28 The text of S.19 is available at <http://thomas.loc.gov/cgi-bin/query/z?c111:S.19>.
- 29 Government of Alberta, "Energy and Agriculture in focus during mission to Washington, D.C.," news release, January 14, 2008 (ref.1).
- 30 "Repealing Ban on Use of Oil Sands, Shale Oil, Coal-to-Liquids" (House Energy & Commerce Committee Republicans, Joe Barton, Ranking Member) (ref.7).
- 31 See the Sierra Club's listing of tar sands legislation at <http://www.sierraclub.org/environmentallaw/tarsands/#EISA>.
- 32 American Petroleum Institute, "API seeks to intervene on the side of the Pentagon in Canadian oil sands case," news release, September 29, 2010. (ref.151)



- 33 European Parliament Committee on the Environment, Public Health and Food Safety, Draft Report 19.7.2007 (Rapporteur: Dorette Corbey), 24 (ref.102)
- 34 Official Journal of the European Union, Directive 2009/30/EC of the European Union and of the Council of April 23, 2009, Article 7(a)(ref.117).
- 35 Directive 2009/30/EC amending Directive 98/70/EC on fuel quality: Consultation paper on the measure necessary for the implementation of Article 7a(5) (ref.36).
- 36 Letter from Ambassador Ross Hornby to Mr. Karl Falkenberg, Director General, DG Environment, January 25, 2010 (ref.25).
- 37 Letter from Kevin Stringer, Director General, Petroleum Resources Branch, to Philip Owen, Head of Unit, Environment Directorate-General, September 24, 2009 (ref.23).
- 38 See Jesse Row, "Proposed Ethanol Regulations have Uncertain Benefits" at <http://www.pembina.org/blog/342> for more on Canada's failure to account for indirect land use.
- 39 Letter from Ambassador Ross Hornby to Philip Owen, Head of Unit, Environment Directorate-General, September 25, 2009. (ref.62)
- 40 DG Environment, European Commission, "Agenda Item No. 9: Consultation Results on Article 7a Implementation Measures," Slide 4. (Ref.63)
- 41 Europe does import a relatively small amount of diesel fuel from the United States that likely contains some tar sands oil, but this could increase if the Keystone XL pipeline is completed. For details see Lorne Stockman, *Tar Sands in Your Tanks: Exposing Europe's Role in Canada's Dirty Oil Trade*, (Greenpeace, May 2010): <http://www.greenpeace.org.uk/media/reports/tar-sands-your-tank>
- 42 Pete Harrison, "EU yields to Canada over oil trade 'barriers': sources" (Reuters, March 24, 2010) (ref.132).
- 43 Jason Fekete and Lisa Schmidt, "Alberta claims victory in EU's 'backing off' from oilsands rules" (Calgary Herald, March 25, 2010) (ref.134).
- 44 Pete Harrison, "EU delays green barrier to Canada oil sands: draft" (Reuters, October 4, 2010).
- 45 Speaking Notes: Gary Mar, Wisconsin Senate, Clean Energy Jobs Act Testimony (February 10, 2010) (ref.26).
- 46 Evan Lehmann, "Alberta Works Quietly to Improve Image of Oil Sands" (Climate Wire, March 1, 2010) (ref.130).
- 47 Premier Ed Stelmach, Alberta Hansard, April 7, 2009 (ref.12).
- 48 Government of Alberta, "European meetings on responsible development key to advancing Alberta's competitiveness," March 10, 2010 (ref.29).
- 49 Department of Foreign Affairs and International Trade, 2010–2011 Report on Departmental Plans and Priorities, 24, <http://www.tbs-sct.gc.ca/rpp/2010-2011/inst/ext/ext00-eng.asp>.
- 50 Email sent by Paul Khanna on behalf of Kevin Stringer (Subject: Updated: Oil Sands Interdepartmental), December 1, 2008 (ref.50).
- 51 Briefing note to the Minister of Natural Resources entitled "Oil Sands Development". Although the note is undated, the request asked for documents from 2009 (ref 37 vs 51?).
- 52 Ibid., 3.
- 53 Ibid., 5.
- 54 Email from Paul Khanna (Subject: Re: Oil Sands Interdepartmental), December 9, 2008 (ref.50).
- 55 Speaking notes for Jim Prentice, Minister of the Environment, to the University of Calgary School of Public Policy and the School of Business, February 1, 2010, <http://www.ec.gc.ca/default.asp?lang=En&n=6F2DE1CA-1&news=1E866FB5-273D-46F2-9ED8-5CFFBCE8E069>
- 56 See, for example, Duty Calls: Federal Responsibility in the Oil Sands at <http://www.pembina.org/pub/2101>.
- 57 June 16, 2010 Letter from Cynthia Giles of the US Environmental Protection Agency to Jose Fernandez and Kerri-Ann Jones of the US State Department on the Environmental Impact Statement for the Keystone XL pipeline, page 2: [http://yosemite.epa.gov/oeca/webeis.nsf/\(PDFView\)/20100126/\\$file/20100126.PDF?OpenElement](http://yosemite.epa.gov/oeca/webeis.nsf/(PDFView)/20100126/$file/20100126.PDF?OpenElement)
- 58 <http://www.theglobeandmail.com/news/national/oil-sands-should-be-left-in-the-ground-nasa-scientist/article1743844/>
- 59 http://switchboard.nrdc.org/blogs/sclefkowitz/tar_sands_dangerous_distractio.html
- 60 <http://www2.canada.com/calgaryherald/news/story.html?id=49f3f58b-2a15-46a1-85f6-e31dda072b1f>
- 61 <http://www2.canada.com/nanaimodailynews/news/story.html?id=2721456>
- 62 http://www.premier.alberta.ca/speeches/2009_25862AlbertaEconomicForum.cfm
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- 64 <http://www.finance.alberta.ca/publications/budget/budget2010/international-intergovt-rel.pdf>
- 65 Department of Defense, Quadrennial Defense Review Report (Government of the United States of America, 2010), 85.
- 66 European Environmental Agency, *Market-Based Instruments for Environmental Policy in Europe* (Luxembourg: Office for Official Publications of the European Communities, 2005), 9, reports.eea.europa.eu/technical_report_2005_8/en.



- 67 Jen Grant et al, Clearing the Air on Oil Sands Myths (The Pembina Institute, June 2009), 3, <http://www.pembina.org/pub/1839>.
- 68 See “Post-Stakeholder Comments” at <http://www.albertainnovates.ca/media/15768/post%20workshop%20stakeholder%20input.pdf>, particularly the submission from Bergerson, Keith and MacLean. Or see the technical points raised by Simon Mui of the Natural Resources Defense Council at http://switchboard.nrdc.org/blogs/sclefkowitz/studies_confirm_tar_sands_dirt.html.
- 69 Farrell and Sperling 2007, 42.
- 70 Briefing note to the Minister of Natural Resources entitled “Oil Sands Development”. Although the note is undated, the request asked for documents from 2009.
- 71 Natural Resources Canada Briefing Note entitled “Oil Sands – GHG Emissions” (draft document prepared by Mark Tushingam, Environment Canada).
- 72 State of California Environmental Protection Agency Air Resources Board, California’s Low Carbon Fuel Standard: Final Statement of Reasons (December 2009), 23.
- 73 Rick Hyndman, Comments on Proposed Low Carbon Fuel Standard Regulations (April 22, 2009, Via Electronic Submittal), <http://www.capp.ca/getdoc.aspx?DocID=151109>.
- 74 Except where specified, this is as reflected in the Kevin Stringer letter to the California Air Resources Board of March 4, 2009.
- 75 Letter from Ambassador Wilson to Chairman Mary D. Nichols, November 14, 2008. Kevin Stringer’s letter states that his letter is “further to” Wilson’s Nov. 14 letter (ref.8).



THE TAR SANDS' LONG SHADOW: Canada's Campaign to Kill Climate Policies Outside our Borders

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