

The lowdown on dirty oil diplomacy

How Canada and Big Oil are collaborating to promote the tar sands and scupper the EU Fuel Quality Directive

The Canadian Government and the oil industry are working together to promote the tar sands industry and weaken climate legislation throughout the world. They are currently focusing on plugging their polluting product in Europe. Most of these dodgy dealings go on behind closed doors, but more and more information has come to light recently about the cosy relationships between politicians and the oil giants. Here's a summary of what we know so far.

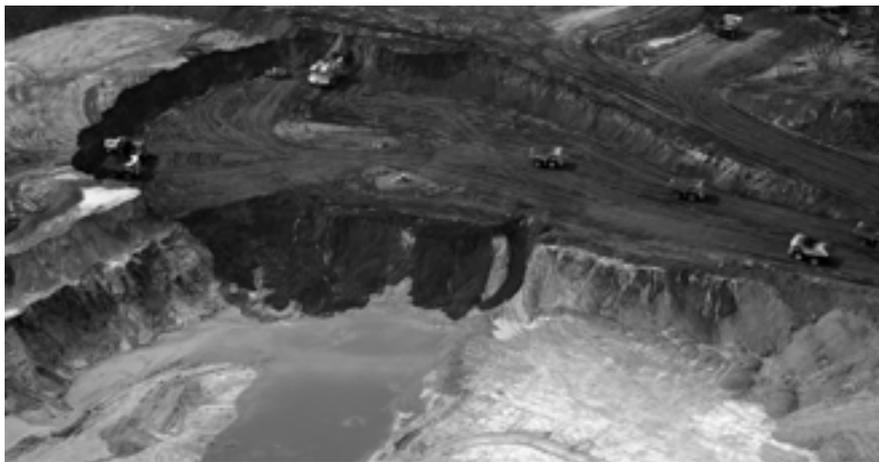
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Pushing tar sands on the world

In recent years the tar sands industry (they call themselves ‘oil sands’ – as if that sounded any cleaner!) has attracted growing public awareness, criticism



Some of the open pit mines are so large they are visible from space

and resistance. This is due to their highly polluting and destructive nature. Leading climate scientist James Hanson has calculated that if all the tar sands currently in the ground were extracted as planned, we would have no chance of stopping runaway climate change.

In late 2009, anticipating that Europe might be a key site of opposition and potential embarrassment, the Canadian government set up what it called the ‘Pan-European Oil Sands Advocacy Team’. Its mission? ‘To reframe the European debate on oil sands in a manner that protects and advances Canadian interests related to the oil sands...in Europe’. Members come from the Canadian and Alberta governments, major oil companies – including Shell, BP, Statoil and Total, the Royal Bank of Scotland, industry lobby groups and embassies in London, Paris,

Berlin, The Hague, Oslo, Brussels and Canada.

The existence and activities of the group and its members remain highly secretive. From what little information has been obtained through Freedom of Information

requests the tar-sands-pushers appear to be a conspiring bunch using both sweet talk and threats to promote their toxic industry. A central mission is to push EU member states – particularly the UK and the Netherlands, home of BP and Shell – to vote against the inclusion of tar sands in the Fuel Quality Directive (FQD). This proposed legislation, which to be approved needs a critical level of support from EU member states, is seen as a real threat to the tar sands industry.

Primary Battleground: the EU Fuel Quality Directive

The EU is negotiating a Fuel Quality Directive (FQD) with the aim of encouraging the use of low-carbon transport fuels and discouraging the use of high-emission fuel. It aims to reduce

Europe’s greenhouse gas emissions from road transport by 6% before 2020.

An independent study concluded that oil from tar sands produces 23% more greenhouse gas emissions than conventional crude. Based on this, the EU wants to label tar sands oil as more polluting than conventional oil, which would have the effect of strongly discouraging tar sands imports into the European market. As a result, the Canadian government is fighting it tooth and nail, largely due to the precedent this would set for other important markets – such as US states. It could also discourage planned tar sands extraction projects in other parts of the world, such as Madagascar.

The Canadian government began by trying to call the science into disrepute, insisting tar sands oil is no more polluting than

The ‘Pan-European Oil Sands Team’ exists ‘to reframe the European debate in a manner that protects and advances Canadian oil sands interests in Europe’. Members include the Canadian and Alberta governments, Shell, BP and RBS.

conventional oil, and invoking the spectre of a legal challenge for unfair discrimination at the World Trade Organisation (WTO). Once the EU had secured a peer-reviewed study confirming the highly carbon-intensive nature



of tar sands extraction, Canada continued to insist tar sands was no dirtier, but also began stalling the FQD by claiming tar sands shouldn't be singled out until every other source of possible transport fuel is measured for carbon-intensity. This argument was misleading as other fuels are also being included in the FQD and provisions exist to include as soon as possible the few that aren't. But a lot of countries, including the UK, bought it, as well as erroneous arguments about 'unfair administrative burdens' on importing companies.

When it came to a vote in February 2012, enough major countries, including Germany, the UK and France, voted against or abstained to stall the process. Following pressure on Transport Minister Norman Baker from environmental campaigners, the UK switched its voting position from 'no' to 'abstain', which was a small but significant victory against the dirty diplomats. The EU is now undertaking an impact assessment, and there will be another vote in 2013.

'The Canadian government does not allow First Nations the fundamental right to say 'no' to developments on their land.'

The Canadian government's war on the environment



Canada's environmental regulation is in a dire state. C38 – dubbed the 'Environmental Destruction Act' – was a recent measure introduced that reversed decades of Canadian environmental legislation. This came not long after Canada controversially pulled out of the Kyoto Protocol – the world's only international agreement to tackle climate change – as it 'did not represent the way forward for Canada or the world' according to Environment Minister Peter Kent.

Tar sands are Canada's fastest growing source of greenhouse gas emissions – not only because the industry is expanding, but because carbon-intensity per barrel is increasing. Kent has claimed that the government is 'on target' to reduce its greenhouse gas emissions by 17 per cent below 2005 levels by the year 2020. However, research shows that meeting these targets would require a tenfold increase in the greenhouse gas reduction effort made by the Harper government since it took office in 2006. Alberta's climate targets rely almost entirely on Carbon Capture and Storage (CCS), which is not likely to result in significant emissions reductions in the tar sands for at least the next two decades.

The lack of debate within the Canadian government over tar sands development is astonishing. In January 2011 Peter Kent proclaimed the tar sands were 'absolutely ethical' and lamented its 'bad rap'. In an aggressive attempt to discredit Canada's environmental movement, Kent labelled tar sands pipeline opponents 'treacherous', while Natural Resources Minister Joe Oliver has claimed environmental and other 'radical groups' are trying 'to hijack our regulatory system to achieve their radical ideological agenda'.

The Canadian government has continued to ignore First Nations' concerns and, despite splashing out on expensive measures designed to improve consultation with First Nations, still does not allow First Nations the fundamental right to say 'no' to developments on their land. Vague attempts at monitoring pollution in the Athabasca River are also seen as too little, too late, as many communities living downstream from the tar sands continue to suffer detrimental health impacts caused by polluted water. According to David Schindler, one of the scientists whose work was instrumental in making the case for better monitoring, the Harper government has pared back numerous regulations to speed the way for industrial development, and 'can't be trusted'.



Dirty diplomats: who's who?

1 Canadian government

In September 2011 Ottawa was 'delighted' to host British Prime Minister David Cameron for a visit, and thanked him for the UK's efforts to amend the Fuel Quality Directive in Canada's favour. In 2011 the Canadian government also organised a 'secret strategy retreat' in London for government and oil industry representatives to discuss the 'critical' issue of winning the tar sands argument in the EU, to 'mitigate the impact on the Canadian brand' and to protect the 'huge investments from the likes of Shell, BP, Total and Statoil'.

Complementing the carrot tactic has been the stick. In October 2011 the Canadian Natural Resources minister, Joe Oliver, publicly vowed to 'fight' the FQD. In private correspondence to the EU energy Commissioner Oliver claimed that 'Canada will not hesitate to defend its interests', threatening a WTO challenge if a compromise was not reached on the FQD.

2 The Canadian Association of Petroleum Producers (CAPP)

The Canadian government's position on tar sands has been shaped by industry lobby group the Canadian Association of Petroleum Producers (CAPP). CAPP calls itself the 'voice' of the upstream oil industry and all major oil companies operating in the tar sands, including BP and Shell, are members. The Harper government's obstructive approach to the FQD was crafted in consultation with CAPP.

3 BP and Shell

BP and Shell play a huge role in promoting the tar sands industry in the UK. In June 2011 and June 2012, in what has been described as the 'Shell schmoozathon', Shell gave 30-40 senior Whitehall officials exclusive 'training courses' to promote the company's views on energy, tar sands and the FQD. The content of the presentations is barely known – they were released but redacted (blacked-out) to the point of comedy.

Recently released documents reveal British Business Secretary Vince Cable has been given the role of 'contact minister for Shell'. In the same letter, Vince Cable is asked by Shell to not only change the position of the UK on the FQD, but to 'encourage other [member states] in the same direction'. BP's Vice President Peter Mather was also found to have 'bent the ear' of Transport Minister Norman Baker on the FQD.

British Business Secretary Vince Cable was asked by Shell to change the UK's position on the FQD and 'encourage other member states in the same direction'



Upgrader refining tar sands along the Athabasca River, Canada

Primary sources for all the facts contained in this briefing can be found at:

www.no-tar-sands.org/lobbying

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