

David Suzuki Foundation, Environmental Defence Canada, ForestEthics, Greenpeace Canada, Natural Resources Defense Council, Pembina Institute, Sierra Club of Canada

President-Elect Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

January 13, 2009

Dear President-Elect Obama:

We represent several leading environmental non-profits working in Canada and the United States.

We are writing to thank you for your continued leadership on tackling global warming and on the related issue of shifting the United States towards low carbon fuels. We believe this is not only the right approach to protecting the environment, but also to creating new economic opportunities in sustainable industries.

We are aware of overtures by the Canadian Government to engage in discussions with regard to a North American cap-and-trade system that takes into account energy trade between the two countries. We know this will be a topic of conversation when you visit Canada in the coming months.

While we believe a continental system may have benefits given the integration of the U.S. and Canadian economies, the integrity of such a system would be entirely compromised should it somehow give a “pass” to the production of high carbon oil from the tar sands, which many suspect is the intent of the overture.

Emissions cuts in any credible North American system will need to be deep for all sectors. Placing an extra burden on some sectors in order to allow emissions from the tar sands to grow, or even to stay constant, would not be acceptable on environmental or equity grounds.

While Canada must be advised to get serious about mitigating the worst impacts of the tar sands in the short term, the more exciting conversation lies in how energy trade between the U.S. and Canada can shift to renewable energy and technologies for energy efficiency. Canada is a vast country with prodigious and largely untapped renewable energy potential. Both countries also have world-class expertise in energy efficiency that is waiting for widespread deployment. Studies show that there are more jobs created by investing in renewable energy and energy efficiency than in fossil fuels.¹

¹ Pembina Institute and the David Suzuki Foundation. 2008. Deep Reductions, Strong Growth: An

We are aware that your transition team is hearing from those who promote tar sands oil (also referred to as “oil sands”) and who attempt to downplay the industry’s impacts or make claims about cleaning it up in the near future. In defining the direction of U.S. energy policy in the coming months, we hope you will bear in mind the following facts:

- Producing a barrel of tar sands oil leads to at least three times the emissions as producing a barrel of conventional oil.² The tar sands are also the fastest growing source of greenhouse gas pollution in Canada.³
- Because only one-fifth of the tar sands deposit is shallow enough to strip mine, emissions per barrel will naturally increase over time as production shifts to deeper deposits and non-mining methods that require more energy in the extraction process.⁴
- In addition to climate change impacts, tar sands production causes widespread landscape destruction and disturbance, the creation of massive toxic tailings lakes that leak into the groundwater,⁵ and increasing acid rain.⁶ Producing each barrel of tar sands oil by strip mining requires two to four and a half barrels of water,⁷ which is placing unprecedented stress on the aquatic systems and water resources in the province of Alberta and other provinces.
- Aboriginal communities in the tar sands region have borne the brunt of local impacts, including the destruction of traditional hunting and fishing areas. They are also deeply concerned about toxic contamination of fish and game, air and water, and possible impacts on their health. Three lawsuits have been filed by Aboriginal communities in tar sands areas to date, with more lawsuits emerging.

Due to such impacts, oil from the tar sands has rightly been labeled “dirty.” Even so, some argue that this oil is still acceptable because efforts are underway to address the problems. But, the policy response from the Governments of Alberta and Canada to date falls far short of resolving the environmental impacts of tar sands production:

economic analysis showing that Canada can prosper economically while doing its share to prevent dangerous climate change. <http://www.pembina.org/pub/1740>

² Environment Canada. 2007. National Inventory Report Greenhouse Gas Sources and Sinks in Canada 1990–2005 Greenhouse Gas Division Environment Canada Submission to the United Nations Framework Convention on Climate Change. Note that Nyboer and Tu (2006) estimated that, per unit of output, GHG emissions from oil sands mining and upgrading are about five times greater than those from conventional light/medium crude oil production.

³ Pembina Institute. 2005. The Climate Implications of Canada’s Oil Sands Development. Page 3.

⁴ Government of Alberta. 2008. Alberta’s Oil Sands. Resourceful. Responsible. Page 2.

⁵ Canada’s Oil Sands: Opportunities and Challenges to 2015,” National Energy Board, 2004.

⁶ Cheminfo Services Inc. and Clearstone Engineering. 2007. Forecast of Criteria Air Contaminants in Alberta (2002 to 2020) Final Report to Environment Canada.

⁷ Pembina Institute. 2006. Troubled Waters, Troubling Trends. Page 1.

- Both Alberta and Canada rely on flawed “intensity” targets in their regulatory approaches for heavy industry that can allow overall greenhouse gas emissions to increase. Both Alberta’s emissions trading system and Canada’s proposed emissions trading system provide the loophole of making contributions to a fund instead of reducing their emissions, thus meeting their targets on paper only.
- Alberta’s C\$15/tonne contribution rate for emitters falls far short of the necessary price on carbon needed to spur the adoption of carbon capture and storage (CCS), should it prove technically feasible – and significant challenges remain.⁸ The Alberta Government’s own advisory group on CCS pegged the necessary price at as much as C\$200/tonne.
- Alberta’s C\$2 billion fund for CCS pilot projects does not represent a regulatory measure that actually requires the adoption of CCS by any company. Without a meaningful price on carbon, there will be no incentive for industry to adopt the technology.
- The Canadian Government’s proposed greenhouse gas regulations could supersede Alberta’s, but would not strengthen them to a significant degree. The current federal proposal includes a provision for targets “based on” CCS for oil sands facilities that come on stream after 2012. But this target would not take effect until 2018, and the Government of Canada has never defined what this target means or the compliance options that companies would have access to in reaching it. Thus, there is no guarantee that setting targets “based on” CCS would actually lead to the deployment of CCS technology.
- Regarding overall policy response to tar sands impacts, the response of the Government of Alberta has been to announce a C\$25 million branding campaign to improve the image of Alberta and the tar sands. Meanwhile, several federal laws — including the *Canadian Environmental Protection Act*, the *Species at Risk Act*, the *Fisheries Act*, and the *Migratory Birds Act* — are not being adequately enforced by the Canadian Government in the tar sands.
- Internationally, Canada has not played a constructive role on climate policy in recent years. In both Bali and Poznan Canada was singled out by UN officials and other countries for blocking progress towards science-based emissions targets. In DC, Canada has recently lobbied heavily against section 526 of the *Energy Security and Independence Act* of 2007 that bars federal U.S. agencies from buying fuel with a higher life cycle greenhouse gas emissions than conventional oil.

⁸ Canadian Broadcasting Corporation. November 24, 2008 “Secret advice to politicians: oilsands emissions hard to scrub; Briefing document is pessimistic on carbon storage and capture.”

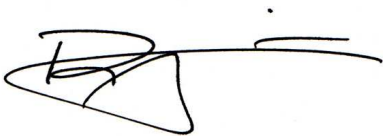
The intersection of the economic and environmental crises requires fresh new thinking. Now is the time to green the trade between the world's largest trading partners, and not to backslide into a relationship based on dirty oil.

As you prepare for your visit to Canada, we would be happy to meet or to provide more information upon request.

Yours sincerely,



Peter Robinson
Executive Director, David Suzuki Foundation



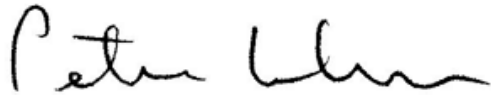
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