

Stokoe, Peter

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Sent: July 20, 2006 11:24 AM
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Subject: 29JUN06: Pembina Institute and NRDC Presentation on Oil Sands in DC

Attachments: 06.06.23 Oil Sands ENGO Mtg with Amb list.wpd; Sheila-scan.pdf; NRDC.pdf

Colleagues

AB recently completed AB Week in DC, anchored on AB's sponsorship of the Smithsonian Folklife Festival. The week also included three energy events (a Capitol Hill reception, an Energy Forum and an Energy-focussed lunch at the State Dept.) Among themes, AB promoted its oil and natural gas contribution to N.A. energy supply, notably the oil sands.

With AB Week, several environmental groups (see attached list), led by the Pembina Institute from Calgary, and the Natural Resources Defense Council (NRDC) in DC undertook efforts to raise the profile of the environmental challenges to oil sands development, challenges which these groups felt were not being adequately addressed.

Below repeats Embassy/Tooze report of these groups meeting with Ambassador Wilson with AB Office Smith attending.

Additionally, Embassy/Tooze and Connors attended a public presentation by these groups. About 50 persons attended, mainly from the environmental community. The arguments made are the same as in the below report. The attached NRDC Fact Sheet on the oil sands was distributed, which is also available on its website.

It is unclear at this point how sustained the actions of these environmental groups will be going forward here in DC. It might be that their actions were a "one-off" to complement AB week promotions. However, in looking at websites, it seems more the case that Pembina Institute and NRDC are gearing up for a sustained campaign. In a DC context, NRDC is quite well respected. Further, the environmental groups' presentations during AB Week were helped by Resources for the Future (RFF), another well-respected environmental research group with significant industry membership. While not directly affiliated with the presentation, RFF made the room available and sent the NRDC Pembina invitation to its membership list.

Should this campaign gain steam in DC and elsewhere in the US, in conjunction with our AB colleagues, we may have to undertake more outreach and advocacy to address the environmental challenges, and these groups' criticisms, of oil sands development.

best regards

Paul

Consulted: Sheila Tooze

From: Tooze, Sheila -WSHDC -EN

Sent: July 12, 2006 10:36 AM

To: EXTOTT (NAL)

Cc: De Silva, Gitane -NAL; Baldwin, Wendy -NAL; Kay, Jennifer -NAL; Stubbert, Russell -NAL; Fawcett, Peter -NAR; Cummings, Tyler -NAR; Crosbie, William -NAD; Nussbaum, Tobias -NAR; Boehm, Peter -

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NGM; Sharp, Peter -GDEE; Beck, Brenda -BCF; 'Rayfuse, Bruce'; 'Brown, Debora'; 'Dick, Robert'; 'Heath, Sarah'; 'jenna.mackay-alle@ec.gc.ca'; 'sandra.scott@ec.gc.ca'; 'EC:Browning, Geoffrey'; 'Olson, Kathleen'; 'Stokoe, Peter'; 'Tobin, Annette'; 'Tooze, Sheila -WSHDC -EN; Johnson, Sigrid Anna -WSHDC -EN; Panthaky, Jasmine -WSHDC -WS; Sharma, Vikas -WSHDC -WS; Sweet, Adam -WSHDC -WS; Sinclair, Robert -WSHDC -GR; Connors, Paul -WSHDC -EC; Coll, Terry -WSHDC -WS; Etzinger, Bernard -WSHDC -WS; Lambo, Pam -WSHDC -WS; Smith, Murray -WSHDC -PI -ALBERTA; Sanregret, Tristan -WSHDC -PI -ALBERTA; CATS

Subject: UNEN0029: ALBERTA OIL SANDS: AMBASSADOR'S MEETING WITH CANADIAN AND US ENGOS AND FIRST NATION REPS

On June 29, Ambassador Wilson met with representatives from Canadian and US environmental organisations and the Mikisew Cree First Nation at their request (let attached). Purpose of the meeting was to inform the Ambassador about the environmental impacts of the Alberta oil sands development on the environment and to request that he make these impacts known to potential US investors. Ambassador was accompanied by Murray Smith, Director, WSHDC Alberta Office, and Embassy officials.

2. The group expressed their appreciation to the Ambassador for seeing them during a very busy time. They noted that they had been meeting with members of Congress and the media to draw public attention to the environmental impacts of oil sands development. Principal points raised include:

- (a) the environmental impact of oil sands development -- increase in greenhouse gas production, water pollution and depletion, wildlife/biodiversity losses, and wholesale destruction of the boreal forest;
- (b) the unexpected acceleration of the pace of the development without a sustainable approach -- production from the tar sands is some 15 years ahead of original projections; the environmental consequences have also accelerated as a result;
- (c) lands are being developed in a "patchwork" fashion without any rationale related to wildlife habitat or other impacts -- some areas of the boreal forest must be designated "off-limits" to dove-tail with later efforts to return the land to boreal forest;
- (d) production is highly profitable -- with these profits, the industry should consider spending the extra \$1-3 per barrel that a carbon-emissions neutral approach would take, making the oil sands development more environmentally sustainable, reducing greenhouse gases and protecting the environment;
- ✓ (e) these issues need to be addressed before even further acceleration in oil sands development -- Canada/Alberta could demonstrate leadership to the rest of the world on the *right way* to do this;
- (f) given profit levels, it may be time for the federal government to review whether the oil industry should still have access to the accelerated capital cost allowance, a tax break which made sense when the industry was new, but is no longer warranted;
- (g) leadership is needed on a CO2 emissions strategy -- all sectors (including the corporate sector) seek federal leadership in ending the uncertainty. Alberta was to release its carbon sequestration plan two weeks ago, but has held it back;
- (h) Canada must develop an overall national energy strategy or framework -- Canada stands out among other responsible nations in not having one: and

3. The Mikisew Cree First Nation rep pointed out that his people will still be living on the land when all the development has finished. He gave the Ambassador a letter (to the Natural Resources Defense Council from the Mikisew Cree First Nation -- attached) outlining additional concerns, including the disastrous impacts of a highly probable 100 year flood, and the fact that "Mere participation in regional forums ... lends little comfort that the cumulative effects of oil sands development are being adequately addressed".

4. Ambassador Wilson responded briefly along PCO-approved lines provided (DFAIT/NAL/Kay of June 23/06) and said the Embassy would report on these concerns to Ottawa.

5. Smith added that the official Alberta line is that the oil sands do not provide a silver-bullet -- they can meet incremental demand but Alberta is not coming out as a rapacious developer with no concern for greenhouse gas. He also said that the First Nations message was very important, adding that the development has also provided good employment opportunities.

Drafted: S. Tooze
Consulted: J. Panthaky, M. Smith
Approved: S. Johnson