Canada’s dirty lobby diary

Undermining the EU Fuel Quality Directive
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Annex 1: List of Canadian lobbying over the FQD and tar sands since September 2009 in Brussels and other strategic European capitals

July 2011
Published by Friends of the Earth Europe
http://www.foeeurope.org

Contact: Darek Urbaniak
darek.urbaniak@foeeurope.org
Tel.: +32 2 893 1021

Researched and written by: Andy Rowell
Edited by: Darek Urbaniak and Paul de Clerck

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Canada’s dirty lobby diary
Undermining the EU Fuel Quality Directive

Friends of the Earth Europe investigation of the Canadian government’s lobbying efforts on the EU Fuel Quality Directive and tar sands

“I always feel it’s a lot harder to undo legislation than to take action before it becomes law.”
Ron Liepert, Albertan Energy Minister

“The government of Canada has been lobbying us in a manner that is not acceptable.”
Satu Hassi, Green MEP

Executive summary

Over the last two years, we have seen a concerted lobbying campaign by the Canadian government to undermine a flagship EU policy on climate change, called the Fuel Quality Directive (FQD), whose aim is to reduce the life cycle (“well to wheel”) greenhouse gas emissions from transport fuels.

In July 2009, the European Commission published a consultation document inviting comments from stakeholders over its plans to compile a methodology for developing the greenhouse gas intensity of different fossil fuels, including the tar sands.

The Commission’s proposal to include a separate default value for the tar sands caused outrage with the Canadian government who has, since then, done everything in its power to undermine and delay it. For over a year the Canadians have employed a secret “Pan-European Oil Sands Advocacy Plan.”

Its main aims are to “protect and advance” Canadian interests in Europe and to ensure “non-discriminatory market access for oil sands derived products.”

The public relations campaign has included the launch of new studies, carefully crafted messages, visits from Canadian and Albertan politicians to Europe, constant lobbying of MEPs and the European Commission and lobby tours for EU decision makers to the tar sands region in Alberta. In a similar manner, the Canadians are also lobbying some EU Member States as the process of EU law formulation requires that the national governments will have to form a view on whether they support the Commission proposal or not.

There has been a huge number of lobbying events - over 110 - organised by the Canadians on tar sands and the FQD since September 2009 until now. This is over one per week. Many more will not be known about. The main messages used at these lobbying events are the “key” role that Canada plays in energy security and that it is a “secure, reliable and abundant” source of energy. At the same time the climatic impact of tar sands have been deliberately downplayed.

Meanwhile, the Canadians have attacked their critics for being ill-informed and emotional, whilst saying they stick to the science and the facts. In reality, it is the Canadian government (in close collaboration with the oil industry) that continuously undermines the EU’s independent scientific studies, even after they were peer-reviewed. At the same time, the Canadians are promoting studies from IHS Cera, a research institute that mainly works for the oil industry. The Canadian government seems to use the same tactics as the tobacco industry that tried to keep the debate open about smoking. The Canadian government has tried to undermine independent scientific studies over tar sands to delay action.
There are more obvious flaws and inconsistencies in the lobbying efforts. In Europe, the Canadians have promised to take measures to reduce CO2 from tar sands, in order to convince European decision makers. But back home they use completely different language, saying that they will not introduce greenhouse gas (GHG) legislation that cuts investment. Meanwhile, the Canadians “lobby tours,” where MEPs and key decision makers have been invited to Canada to see the tar sands for themselves, have been criticised for being highly biased. The Canadians have recently changed strategy from opposing a separate value for tar sands outright to arguing that all unconventional oil should get a separate GHG value.

The Commission has also refused to release crucial documents about the Canadian lobbying campaign due to intervention by the Canadians. This means that in some cases the Commission is putting Canada’s interests above European citizens’ rights to transparency.

One policy area where the Commission is refusing to release documents is about trade relations with Canada. The Canadian campaign is using old fashioned strong-arm tactics, with them threatening the EU over trade. Although the Canadians publically deny any link between the EU-Canada trade negotiations and the debate on the FQD, behind the scene they are threatening with retaliation at these trade talks. The Commission could still buckle under this intense Canadian diplomatic pressure, which continues unabated in Brussels and EU member state capitals.

In relation to Canada’s on-going lobby campaign, Friends of the Earth Europe has the following recommendations:

1. European decision makers should show leadership by ensuring that the Fuel Quality Directive takes into account the real carbon footprint of tar sands and not to give in to the Canadian pressure. This implies a specific default value for tar sands as established in the recently published Commission studies.

2. The Canada government should not undermine the EU’s climate policies. Concretely, it should:
   a. stop questioning independent scientific evidence that proves the assessment of greenhouse gas emissions from tar sands;
   b. stop promoting contradictory studies that are closely linked to the oil industry;
   c. not threaten EU decision makers with trade retaliations if they decide on a specific default value for tar sands;
   d. not downplay the negative impacts of tar sands and disclose its genuine greenhouse gas footprint;
   e. take serious measures to address these impacts instead of making false promises in Europe that are not followed by action at home;

3. The European Commission must be more transparent in its proceedings and disclose full information requested by EU citizens.

Methodology

This report depicts the documentary evidence of the Canadian’s “dirty lobby” tour over the last eighteen months that aims to undermine the EU FQD. For the report, interviews were undertaken with leading experts on the issue both in Europe and Canada, as well as press and online research.
In early 2011, Freedom of Information (FOI) requests were sent to key DGs within the European Commission, as well as relevant committees at the European Parliament. The main British government departments were also approached with FOI requests. A database of Canadian FOI documents was also examined for evidence of Canadian lobbying.

From the Commission, documents about the FQD and the Canadian lobbying effort have been withheld by DG Climate; DG Trade; DG Energy and the European External Action Service. Of specific documents requested, thirteen crucial documents have been refused in their entirety or in part.

Introduction

Canada sees itself as an “energy superpower,” with the second largest petroleum reserves in the world, second only to Saudi Arabia. These reserves are also strategically important for companies such as BP and Shell as the majority of current reserves of oil are either in the Middle East, politically off-limits, or in frontier areas such as the Arctic.

There is a fundamental problem for Canada and the oil majors. Alberta’s reserves are unconventional oil, commonly known as tar sands or oil sands, and are far more energy intensive than conventional oil. A well-respected scientific study published by the European Commission in early 2011 concluded that tar sands produced on average 23 per cent more lifecycle emissions of CO2 than the equivalent EU average for conventional oil.

Therefore, standing in the way of Canada’s ambitions to become an energy super-power are international concerns about climate change. In Europe, these concerns are partly manifested in the EU’s efforts to reduce carbon emissions from transport fuels.

In December 2008, the EU adopted the revised Fuel Quality Directive (FQD). The intention of the Directive is to reduce the life cycle (“well to wheel”) greenhouse gas emissions from transport fuels, rather than just the tail-pipe carbon dioxide emissions from when the fuel is used in a vehicle.

Under the directive, Article 7A requests that transport fuel suppliers cut the carbon footprint of their products by 6 per cent by 2020 from the 2010 baseline.

In July 2009, the Commission published a consultation document inviting comments from stakeholders over its plans to compile a methodology for developing the greenhouse gas intensity of different fossil fuels, including tar sands. It set a deadline of the 1 January 2011 to set the baseline value for greenhouse gas emissions.

In its consultation document, the Commission proposed that there should be one default value for crude oils currently on the market in the EU and one for tar sands: 85.8g CO2/ MJ (grams of carbon dioxide per mega joule of energy) for petrol compared to a default value for tar sands of 107g CO2/MJ. This analysis included greenhouse gas emissions on a “well to wheel” basis.

The concept of having one default value for conventional oil and one for tar sands has outraged the Canadians and the international oil companies ever since. The Canadian government and Albertan government have engaged in one of the most vociferous public relations campaigns by a foreign government ever witnessed at the EU level. This lobbying campaign has been extensive. There have been over 110 lobbying contacts on this issue since September 2009, at the rate of over one a week (see Annex 1).

The Canadians have been given support in their campaign by the oil industry and consultants who work for oil majors. The object has been simple: to protect Canada’s interests in Europe and to make sure that tar sands oil is not discriminated against in the directive.
Essentially the Canadians are trying to scupper European climate protection measures to protect their interests primarily in America. What the Canadians are concerned about is that the EU sets a precedent against tar sands that could have huge international ramifications, especially in the US, their primary market for tar sands. Since 1999, Canada has been the largest supplier of US crude and refined oil.9

Alberta’s Environment Minister, Rob Renner has argued that “It is not because we are protecting a customer base [in Europe] but because we respect the fact that decisions in Europe find their way into other policies around the world.”10

It is a view shared by business. Jason Langrish, executive director of the Canada-Europe Roundtable for Business argues the FQD “establishes a precedent, and when that precedent gets established, then perhaps the United States could also follow.” 11 Indeed, internal British government documents reveal that the Canadians are “acutely aware” that “CO2 intensive oil sands exports might become less desirable to the US in the future.”12 The Canadians have been flexing their diplomatic muscles to make sure that does not happen.

At the moment, the EU is not even a major market for tar sands crude; although some tar sands derived products are currently shipped to the EU as diesel fuel.13 At most, the oil industry estimates that some 5,000 tonnes a year of tar sands crude is coming into the EU from Canada. 14

But this huge lobbying campaign is having an effect. The 1 January 2011 deadline to set a baseline default value came and went with no finalised plans. When the Commission published a credible scientific study earlier this year it did not stop the diplomatic row. The Canadians continue to pressure the EU to justify the methodology behind its decision making. The Canadians are also threatening the EU with retaliation at on-going trade talks.

The EU argues that it will not buckle under Canadian lobbying, but the diplomatic pressure has made the Commission stall on implementing the directive. Despite the fact that the Commission now has peer-reviewed credible science to back up its position, the Canadians are asking for further research and further delays. This tactic is reminiscent of the tobacco industry in its attempts to delay action on health.

Despite all this pressure, the result of Canadian lobbying is still not conclusive. They will probably focus their efforts over the summer on the member states, as the national governments have to provide their view on the draft before the autumn.

Crucial documents about the FQD and the Canadian lobbying effort have been withheld by DG Climate; DG Trade; DG Energy and the European External Action Service. Of specific documents requested, thirteen crucial documents have been refused in their entirety or in part. Three documents were refused release by DG Climate, after consulting the Canadians, due to the “negative Canadian response.”15 This means Canada’s interests override European citizens’ rights to transparency.

The “Pan European Oil Sands Advocacy Plan”

Considering the current political row concerning tar sands, back in June 2009 the issue was not on the diplomatic horizon. That month, the Canadian Commissioner to the EU, Ross Hornby, a career bureaucrat and central figure in the Canadian lobbying effort, listed three “irritants” that Canada obviously wanted sorted out between the EU and Canadians: seals; hormone-treated beef and Genetically Modified Organisms.16 Areas where Canada thought the EU was being “heavy-handed”
were on the Registration, Evaluation and Authorisation of Chemicals (REACH) and on “Nickel”. Tar sands were not even mentioned.

All this changed with the July 2009 consultation on implementing Article 7 of the FQD. Since then, the Canadian lobbying campaign has involved Canadian diplomats, trade officials, civil servants, federal and Albertan politicians. The two government departments leading the pro-tar sands PR campaign have been the Department of Foreign Affairs and International Trade (DFAIT) and Natural Resources Canada. But equally important is the role of Canada’s Mission to the EU, led by Ross Hornby, the Ambassador of Canada to the EU.

The unprecedented scale of the PR campaign by the Canadians is revealed in the “Pan European Oil Sands Advocacy Strategy” that was drafted by DFAIT in May 2010. Its primary aims were:

- “Protecting and Advancing Canadian interests related to the oil sands and broader Canadian interests in Europe;”
- “To defend Canada’s image as a responsible energy producer and steward of the environment including climate change issues;”
- “To ensure ... non-discriminatory market access for oil sands derived products.”

The main messages were the “key role the Canadian oil sands will continue to play in global energy security” and that tar sands are a “secure, reliable and abundant source of energy.”

Strategies included site visits of key target audiences including MEPs, MPs from certain countries, journalists and even NGOs. The Canadians identified Shell and BP as “like-minded allies” in their “Oil Sands Advocacy Team.” To implement this strategy, the Canadians covertly set up a “Pan-European Oil Sands Team” that is based in London. Experts on the team have come from both government and the private sector.

The advocacy strategy has not just been targeted at the EU headquarters in Brussels and Strasbourg. Other strategic European countries such as Britain, Germany, France, Denmark, The Netherlands, Sweden and Austria have all been targeted. As part of the PR campaign, the Albertan government has also employed a public relations company in Europe - Hanover - to push the pro-tar sands message.

The Canadians have identified a small number of influential MEPs to act as “Trojan horses” inside the Parliament to try and persuade colleagues with a pro-tar sands message. New media such as Facebook and Twitter have been used, as has more traditional media, with adverts in the Brussels press and on London billboards. In March 2011, an advert appeared in the European Voice paid by the Government of Alberta stating “Alberta embraces the EU’s decarbonisation efforts, including the intent of the Fuel Quality Directive.”

But this advert, as with much of the Canadians’ pro-tar sands publicity material, is misleading. The Canadians do not support the directive, and have been undermining the EU’s de-carbonisation strategy and greenwashing tar sands.

The overriding message is that Canada is not exporting dirty oil, but clean energy. One of the dirtiest fuels on the planet is being sold as clean, stable and secure.
The dirty lobby diary

The early messages: Autumn 2009

Many of the Oil Sands Advocacy Team’s argument were already well developed in a letter sent on Article 7A implementation in September 2009, from Natural Resources Canada to DG Environment, the lead Commission department on the FQD:

- **We are responsible when it comes to climate policy:** “We support the Directive’s objectives of reducing greenhouse gas (GHG) emissions by encouraging the use of low GHG emissions intensity fuels … Canada is preparing for a long-term.”
- **The FQD is important for energy security:** “Canada has the world’s second-largest proven oil reserves with 176 billion barrels … The accessibility of Canada’s oil sector is important as about 70 per cent of the world’s reserves are controlled by OPEC.”
- **If you implement the FQD there will be “Carbon leakage”:** “Favouring differing crude oil would likely lead to a shuffling of crude oil sources and destinations where lighter crude supplies would be sent to jurisdictions that demand them and heavier crudes would be sent to other jurisdictions.”
- **It will have no effect on emissions:** This “carbon leakage’ would lead to no change in GHG emissions on a global scale.”
- **The tar sands aren’t that bad:** The evidence suggests that “life cycle GHG emissions from oil sands crude are 5 to 15 per cent higher than crude in the US.”
- **And the difference is decreasing** “Over time, any differences in GHG emissions between oil sands crude and other crudes should continue to decrease.”
- **Do not treat us differently from other crudes:** “the Government of Canada recommends that the EC should not categorize oil sands crude separately.”

On 16 October at the Canadian’s request, representatives from Natural Resources Canada met with DG Environment so that the EU could “better understand Canada’s concerns.” The following month, Ambassador Hornby told the Canada-Europe Parliamentary Association that the “oil sands were expected to become an important issue.”

The Canadians kept up their objections about the FQD at the December 2009 meeting of the EU-Canada Trade and Investment Sub-Committee. The minutes show that Kathleen Mackay, the director for “Technical Barriers & Regulations Division” at DFAIT was present. Mackay had “significant concerns with the Directive’s draft methodology.” She argued that “oil sands-derived crude oil had a lifecycle greenhouse gas intensity within the same range as other globally traded and used crude oil sources.”

Mackay argued that a separate category for tar sands “had no basis in science and introduces the prospect of unjustified discrimination.” The words “unjustified” and “discrimination” would be used repeatedly by the Canadians in the months to come.

The Canadians have also targeted British officials in their pro-tar sands fight. Three days after the Trade and Investment meeting, Ed Miliband, then Secretary of State for Energy and Climate Change met Jim Prentice, the Canadian Minister of the Environment. Briefing notes prepared for the meeting show privately that the British saw through the Canadian spin.

They expressed “concerns” that Canada’s “current approach” concerning tar sands “is not consistent with avoiding dangerous climate change”. “Oil sands production” said the briefing paper, “will significantly contribute to Canada’s failure to meet its Kyoto commitments to reduce GHG emissions.”
“Increased outreach”: January- March 2010

By January 2010, the Canadians were extremely worried the British government was going to issue a “strong statement” against tar sands. A senior official from the Canadian High Commission told British officials “she was very keen to set up a dialogue for the Federal or Alberta government to come over here to brief senior level people.” The goal, noted the British official was “to be to try and put us at ease.”

The Canadians started using other arguments against the EU too. One of these was cost. On the 25 January, Ross Hornby, the Canadian Ambassador to the EU wrote to Karl Falkenberg, the Director General of DG Environment at the Commission, arguing that making tar sands a distinct fuel source would mean the oil industry in the US and Canada would have to “develop a costly and extremely complex cross-border chain of custody.”

Another argument was trade. Hornby warned that “such a system would be extremely difficult to implement and monitor, and would in itself create barriers to trade.” The implicit “trade” threat was important, as Canada and the EU are in the midst of crucial trade negotiations. It would be a threat they would use time and time again.

Four days later, Hornby met Falkenberg in person: Notes prepared for the Director General and released under EU Freedom of Information laws, said “DG Environment intends to continue to engage with Natural Resources Canada in order to help broaden DG Environment’s understanding of the issues raised during the consultation process.” Parts of the document were not released by the European Commission due to the fact that disclosure would “seriously affect current trade negotiations and Canada’s relations with the EU.”

The Canadians also targeted pro-business MEPs such as Christian Democrat Herbert Reul, the chair of the powerful Industry, Research and Energy committee (ITRE), and Philip Bradbourn, the Conservative MEP and newly-elected chair of the European Parliament’s Committee for Relations with Canada. Seen at the European Parliament as being pro-industry, Reul is a natural ally for the Canadians.

Notes of a “key messages” to get across to Reul before a meeting in March 2010, noted the Canadians could provide information via Reul to the Industry and Environment committees, as well as the wider European People’s Party group within the Parliament. The notes reveal that Canadian officials were “concerned that current sensationalized debate could have a stigmatization effect and result in the discrimination against Canadian oil.”

Other key messages included the classic public relations technique of trying to position Canada as the voice of reason in the debate, whereas it was the EU which was being irrational. It is another theme the Canadians have repeatedly used, including in speeches by Ambassador Hornby. The Canadians wanted a debate on “facts” and “sound science” rather than “myths and misinformation”. They “acknowledged” the challenges, but were committed to developing the resource in a “responsible manner.”

The Canadians warned that, although Europe was not even importing any tar sands, it was still a matter for the EU’s energy security. “This would be to the detriment of not only Canada, but to Europe as well. Oil sands play an important part in Europe’s energy security – Canada is the largest energy supplier to the US, which in turn alleviates demand pressures on EU sources of supply. If oil sands was not produced, competition for oil supply between Europe and the US can only be expected to grow.”

Notes from a meeting between Reul and Ambassador Hornby noted that Reul “was supportive of concerns expressed by Hornby about the Clean Fuel Directive (sic) unfairly prejudicing oil sands
asking ‘do we still have time to affect the process’? Reul seemed keen to help noting that ‘we must do something’ and promised to follow up with German colleagues in Parliament, and Energy Commissioner Oettinger.” Reul asked for more information, and offered to have Canadian technical experts brief the ITRE committee.  

Although tar sands are not his area of concern, Reul has become a key ally for the Canadians and has started using their arguments. Reul met Iris Evans, the Albertan Minister of International and Intergovernmental Relations, when she undertook a pro-tar sands PR tour in April 2010. He has also asked the Commission about the FQD, questioning whether the directive was compatible “with International trade law.” The Commission replied that it would ensure that the FQD would be compatible with international trade laws.

In early March 2010, Ambassador Hornby visited Strasbourg as part of the Canadians “increased outreach” to the Parliament. Amongst the politicians he met were MEPs critical of the tar sands, such as Satu Hassi, the Finnish MEP and vice-chair of the parliament’s Environment committee. Key PR messages were once again in evidence when Jeanette Patell, from the Canadian trade mission to the EU, and another key player in the lobby effort, sent Hassi an email: “the Canadian Government recognises the environmental challenges that we face in this industry and is committed to being a responsible steward of this resource.”

**Getting the numbers right?**

Patell then forwarded a copy of a report by the oil industry consultancy, Cambridge Energy Research Associates (IHS CERA), to Hassi. The Canadians argue the study, called *Growth in the tar sands – finding the right balance*, shows that Canadian “oil sands do not have the highest emissions of all fossil fuels, as Venezuelan, Angolan, Californian Heavy oil, Nigerian and Middle Easter heavy oil, all have equal or higher GHG emissions.”

A second IHS CERA report *Oil Sands, Greenhouse Gases, and U.S. Oil Supply: Getting the Numbers Right,* has been also used repeatedly by the Canadians to make sure that tar sands are not discriminated against. Two versions of this report have been published, one in September 2010 and one in April 2011. More than any other evidence, these two studies have become strategically important to the Canadians in their campaign to convince people that tar sands are no more polluting than other fuels. Meanwhile the Canadians have tried to undermine evidence that suggests otherwise.

Just how independent are these two reports? When asked who funded the latter report, IHS CERA replied that it was “produced independently by IHS CERA as part of the on-going IHS CERA Oil Sands Dialogue.” They did concede that many oil companies and the Canadian and Albertan government contributed to the report, including: Alberta Department of Energy; API - American Petroleum Institute; BP Canada; CAPP - Canadian Association of Petroleum Producers; ConocoPhillips; Shell; Statoil Canada Ltd; Suncor, and Total.

But when IHS CERA was asked to respond to accusations that its studies can be challenged for being neither independent nor peer-reviewed, and using only theoretical project data, a spokesperson refused to answer the question, instead saying these issues were covered by the “FAQ” section of their website, which they are not.

Professor Adam Brandt from Stanford University, who has written a report for the Commission on the tar sands, has criticised IHS CERA for its lack of transparency. “This study does not include enough information to evaluate the approach used to model refining of oil-sands-derived products” Brandt says of the *Getting the Numbers Right* report.
“We’re having an impact”: March - April 2010

The spring of 2010 saw intense lobbying activity by a number of senior Albertan politicians, in Brussels and Strasbourg but also other European capitals as part of the “European Oil Sands Advocacy” tour. This was not the first time that Canadian politicians had lobbied European capitals. In January 2009, Alberta’s then Energy Minister Mel Knight, a former oil man, had addressed a tar sands forum in London, in a trip estimated to have cost C$22,000.45

In early March 2010, the Canadians spent another C$20,000 to fly Alberta Energy’s parliamentary assistant, Diana McQueen over to Europe to tour Oslo, London and Dusseldorf, primarily to talk about CCS (Carbon, Capture and Storage). McQueen is the assistant to Alberta’s current Energy Minister, Ron Liepert. Two months before, Alberta’s Premier Ed Stelmach had identified CCS-development and commercialisation as a key priority for his new Cabinet. 46

The Albertan Government’s press release for McQueen’s trip noted that CCS would be “responsible for achieving about 70 per cent of the reductions goal in Alberta’s Climate Change Strategy.”47 It did not mention that there is an on-going debate on issues regarding safety and liability on CCS, which remains unproven at a commercial level.

When in London, as well as meeting Ministers from the Department of Energy and Climate Change, McQueen met with the Government’s Department of Foreign Affairs, the “Oil Sands Advocacy Group”; the Alberta-UK Trade Office; UK CCS Association and attended a CCS dinner hosted by the Canadian Ambassador. 48

In Brussels, McQueen’s hectic schedule continued as she met with Canada’s EU Ambassador Hornby, DG Energy where she discussed “oil sands development and EU energy policies” and the Director General from DG Clima. McQueen also attended a lunch hosted by Shell on CCS. She then moved on to Germany.49

Back in Canada, the PR offensive was gaining momentum. Notes of a meeting on 16 March 2010 between the Federal and Albertan government at the Canadian Association of Petroleum Producers (CAPP), prepared by Paul Khanna from Natural Resources Canada, showed that: “The purpose of the meeting was to discuss a proposal that CAPP had for the oil sands CEO task Force on ‘upping their game’ on oil sands outreach and communications as part of a renewed strategy”. Khanna, an advisor on tar sands, is another key official.

The “approach would not just ‘turn up the volume’ on the existing approach – it would change tact and address perceptions by showing that the issues are being addressed and we have the right attitude.”50

The following day, 17 March, Iris Evans was asked in the Albertan parliament: “what are you doing to get the record straight in the EU?” Evans replied that that very morning Ambassador Hornby had “responded to the European Parliament to decry any kind of allegation of dirty oil relative to the oil sands and cited the excellent work done on an environmental front to make improvements here.”51

Three days later, when the EU published a new consultation paper on the Directive, the Canadian lobbying seemed to have paid off, with leaked drafts showing that a separate value for tar sands had been quietly dropped. A draft, leaked to the press, said: “One default value per fuel or energy and feedstock type,” rather than a separate one for the tar sands.52

“We’re having an impact,” Alberta’s Energy Minister Ron Liepert said. “We've got the European Union starting to think about how they're going to reassess some of the initiatives they've taken.
We’ve just got to keep up the campaign.” 53 Alberta’s Environment Minister Rob Renner added: “I think it’s a case of our message starting to resonate.” 54

The revelations caused outrage from MEPs and subsequent denials from the Commission. Catherine Bearder from the ALDE group wrote to the Commission noting that “recently leaked documents from the Commission have suggested that the European Union has yielded to Canadian demands that it remove possible trade barriers to Canadian tar sands ahead of the conclusion of the EU-Canadian FTA which is currently under negotiation.” 55

To this the EU Commissioner for Trade, Mr De Gucht said that “contrary to recent media reports, there is currently no Commission proposal on the implementing measures for the 2009 Fuel Quality Directive.” De Gucht said that work on defining proposed measures for the Directive had “not yet been completed.” 56 It would be the first of many denials and delays.

**Come and visit “the good, the bad and the ugly”: April - May 2010**

The Canadians were leading the PR campaign with the oil companies playing a strategic role in the shadows. In-Mid April, the Canadians listed a Shell stakeholder consultation and BP’s AGM as part of their “oil sands advocacy strategy.” Meetings were also organised with BP and Shell on the margins of their AGMs. 57 In late April, a second senior Albertan politician was dispatched to Europe. Iris Evans, the Albertan Minister of International and Intergovernmental Relations, travelled to the UK and Belgium for meetings with investors, MEPs and Commission officials. Evans also met the Oil Sands Advocacy team. 58

In London, she gave a presentation to Oil and Gas UK – the largest oil and gas association in the country, whose members include BP, Chevron, Shell, and Total, amongst others. 59 Evans also delivered a speech to key British government and industry contacts as well as visiting the Foreign and Commonwealth Office. At the meeting, Evans said the Canadians were looking for cooperation, because Canada had been “unfairly targeted” due to the tar sands. Senior British officials were invited to Alberta to see the “good, bad and the ugly” for themselves. 60

In Brussels, Evans met with the key tar sands supporter Herbert Reul. She also met with Jos Delbeke, Director-General for Climate Action, European Commission “to discuss Alberta’s concerns” with the FQD where Evans “emphazised Alberta’s commitment to the environment and provided an overview of actions being undertaken to ensure sustainable and responsible approaches to energy production and use.” 61 Documents released under EU Freedom of Information laws of the meeting have been redacted due to concerns over international trade relations with Canada. 62

The following day, 27 April, the matter was raised at two committees. The Delegation for Relations with Canada held a meeting attended by Evans. Official minutes reveal that Evans told the MEPs once again that Canada had been “unfairly targeted.” Once again key PR messages, such as emissions were “small” compared to cities such as Hong Kong, were littered throughout her speech. The Delegation was invited by Evans to Canada in November “to have discussions with all interested interest groups and parties.” 63 But although the visit went ahead, they certainly did not meet all interested parties (see November).

The FQD was also raised at the EU-Canada Trade and Investment Sub-Committee on the 27 April. Once again the Commission has redacted parts of this document after a Freedom of Information request, due to the on-going negotiations of the EU-Canada Comprehensive Economic and Trade Agreement (CETA). 64

Minutes that have been released show that the Canadian delegation reiterated concerns expressed at earlier meetings, that “oil-sands derived crude oil had a life-cycle greenhouse gas intensity within
the same range as other globally traded and used crude oil sources.” Therefore the proposed separate category for tar sands was “unjustified discrimination.”

“Clearer direction from the EU”: May - June 2010

By May 2010, BP’s oil spill in the Gulf of Mexico was overshadowing any row over tar sands. But still the tar sands issue was raised at a meeting between Canada’s Prime Minister Stephen Harper and EU President Jose Manuel Barroso at the Canada- EU Summit in May. Notes exist of the meeting, although parts of a document released under Freedom of Information laws have once again been redacted.

From the un-redacted parts, it is clear the Commission was by now clearly on the back-foot under Canadian pressure. The consultation had only been published for the purpose of eliciting stakeholder’s views they did not actually “constitute a proposal.” Any further scientific input from Canada “to assist with the further development of the methodology” was welcome.” DG Climate was awaiting further technical information from Natural Resources Canada “aimed at shedding clarity on the scientific details of this issue.”

As they bombarded the Commission with information another tactic was to take “key advocacy target audiences” such as MEPs to the tar sands in Alberta. One specific MEP targeted by the Canadians is Philip Bradbourn, the chair of the Delegation for Relations with Canada, who went to Canada three times in 2010. Bradbourn was told about the “myths and misinformation on the facts surrounding the environmental impact of the oil sands”. In fact the “oil sands have a remarkable technology story to tell.”

In May 2010, the Delegation for Relations with Canada undertook a mission to Ottawa, where they attended a lunch hosted by David Tilson, the chair of the Canada-Europe Parliamentary Association. Brian Jean MP, who represents Fort Murray, the heart of tar sands extraction, spoke at the lunch.

Back in London, the “Oil Sands Advocacy team” proposed two days of “oil sands myth-busting events.” Whether these happened is unclear. What is known is that the tar sands advocacy strategy saw the third Minister from Alberta in three months visit Europe. This time it was Alberta’s Environment Minister, Rob Renner who went on a four day advocacy tour to “advance clean energy dialogue.” This was Renner’s second visit to promote the tar sands, having visited Europe in November 2008. In London, Renner met with NGOs and government officials.

Andy Ridge, the Director of Alberta’s Climate Change Secretariat who was accompanying Renner, put a positive spin on the visit: He said that they had “heard loud and clear” that there is was “growing appreciation” for what Alberta was doing to manage our environment, “including the responsible development of oil sands resources.” Ridge said the Canadians had to remain “vigilant in getting the message” out as there “still remains confusion” around the true impacts of the tar sands development.” He spun the trip as one where they had listened to environmental campaigners, rather than a PR effort to water down the FQD.

In Brussels, Renner attended a reception hosted by Ambassador Hornby, whose office also hosted a roundtable discussion to discuss tar sands. The panel included: Rob Renner; Professor Huellt from the Helmholtz Association of German Research Centers; and John Broadhurst, Vice-President for Development and Technology for Shell Canada. Both Connie Hedegaard, the Commissioner for Climate Action and Gunther Oettinger, Energy Commissioner were invited. From there Renner went to Strasbourg for a dinner with MEPs, again hosted by Shell. The topic over dinner was tar sands.
The day after, Renner was the keynote speaker at a Canadian-Belgium Chamber of Commerce lunch on 'Cleaner Energy Opportunities: Oil Sands Environmental Myths and Realities.' The direction that we see, wherein Canadian oil sands are not specifically targeted, is one that makes sense to us,” he told reporters.

The Canadians also exploited BP’s spill in the Gulf of Mexico, reflecting how even the best prepared PR plans can respond to external events. Renner presented the tar sands as the answer to BP’s spill, which was receiving blanket news coverage. “If you have a mishap two kilometres under the ocean, it is much more difficult to deal with than above ground,” Renner said. “The question is: do we have the requisite expertise and manpower to deal with it? We think there is a different profile between developments on land and at sea.”

The Oil Sands Advocacy PR campaign continued over the summer months in other European countries. In London in June, BP and Shell were due to meet the Canadians to “discuss AGMs” and to “exchange information.” On the 2 June, Canada’s Ambassador to Norway, John Hannaford spoke at a Canadian Embassy event on the oil sands in Oslo.

In Germany, the Canadian Embassy in Berlin organised an “Oil Sands and Business Innovation Roundtable at the Canadian Embassy in Berlin, with key officials from Canada. The Canadian Embassy also produced a German-language brochure “Oil Sands – A strategic Resource for Canada, North America and the world.” In July the London-based Oil Sands Advocacy team finally got to see first-hand the scarred landscape of Alberta.

**Critics are “ill-informed” and “emotional”: Autumn 2010**

In the autumn the pan-European PR campaign continued apace as the Canadians “made demarches to senior officials in the Swedish government” in regard to the FQD as well as demarches to officials in the Austrian Federal Ministry of Agriculture, Forestry and Environment.

Canada’s Ambassador to the EU, Ross Hornby, kept up the diplomatic pressure too. In a speech on “EU-Canada relations at a crossroads,” he attacked Canada’s critics for their “ill-informed” and “emotional” anti-tar sands campaign, likening it to the campaign against Canadian seal-hunts: Criticism “tends to be driven by emotional appeals and powerful imagery, but unfortunately the debate is not particularly well-informed,” he said.

He conceded that “we’ve been particularly active” on the FQD, adding that the Canadians were targeting “EU officials, Member States, and Parliamentarians.” He acknowledged the pan-European campaign by saying they were working “with our Missions across Europe to ensure that we’re coordinating our activities and sharing information about the latest developments as this debate intensifies in Europe.”

Six weeks later, Hornby returned to the theme of “facts” and “misinformation”, in a presentation to the Netherlands Institute of International Relations. “We find we must counter misinformation from NGOs and demonstrate to the EU the harm it is doing to itself. On this and other issues, GMOs for example, we are seeking quality of decision-making from the EU.” The message was simple: The EU was wrong and Canada was right.

And to prove they were right, Canadians kept taking parliamentarians on highly selective tours of the tar sands region. The Pan European Oil Sands Action Plan had identified site visits for policy makers and “policy influencers” as one of the main tenets of the PR strategy for the autumn of 2010. MPs and MEPs were specifically being targeted. In October German Parliamentarians visited the region including Fort McMurray.
Just under two weeks later, the European Parliament’s Delegation for Relations with Canada visited Alberta. Meetings were held with Albertan Government officials and legislative assembly members, as well as the Albertan Agriculture, Environment, and Energy minister. The MEPs enjoyed a lunch hosted by Iris Evans before flying to the tar sands region. After the visit they had further meetings with business and parliamentary associations. Bradbourn told reporters that his members “had been very impressed by what we have seen in Alberta.”

As regards the FQD, Bradbourn said “we will be taking some action through the parliamentary process, through the Energy Committee to see whether we can get the Commission to come forward with proposals that give a level playing field ... What we thought we would see was not the reality.”

However, Bradbourn later conceded that the Canadian government tour-guides never discussed a report by a University of Alberta biological scientist, which had found that tar sands are exacerbating the level of toxins in the local Athabasca river. Moreover the Delegation spent just 35 minutes with the Pembina Institute, one of the leading critics of tar sands development and Bradbourn never attended the meeting with the First Nations leaders who complained that the politicians had received a “skewed picture of the tar sands.”

“We wanted them to realize the true impacts, not just on the environment but on people, especially indigenous people,” said Eriel Deranger of the Athabasca Chipewyan First Nation. “The delegation didn’t have a lot of opportunities to hear the opposition on their tour.”

Back home, Bradbourn wrote to Iris Evans noting that “After having now actually visited the region, I can safely say that all the members of the delegation are impressed, and reassured by the efforts being undertaken by the Albertan authorities – and indeed the oil companies themselves – and the commitment to work to resolve these issues.”

The Canadians had other crucial MEPs on-side. Bradbourn has now also adopted the Canadian lobbying positions. “I think the most important thing now is that the oilsands are treated equally in the directive and measured against the same markets as other fuel types. This is a question of energy security.”

“Giving 110% in the battle for fossil supremacy.”

Throughout 2010, tar sands became an increasing obstacle in the on-going Comprehensive Economic Trade Agreement (CETA) negotiations between the EU and Canada. The directive was raised again at the EU/Canada Trade and Investment Sub-Committee (TISC) meeting in November 2010. Some six months later, according to the Commission, the report of this meeting had still not been completed and therefore could not be released under Freedom of Information laws.

Just as MEPs were visiting Canada, so Canadian MPs were visiting Europe. In part in order to build bridges during the trade negotiations, the Canadian House of Commons Standing Committee on International Trade (CIIT) conducted a fact-finding mission in Europe in order to “to highlight Canada’s priorities for the negotiations”. To “achieve these objectives”, the Committee met with MEPs, and representatives of national Governments.

The official record of the trip of the Delegation noted that: “Some MEPs expressed concerns to the CIIT that the Comprehensive Economic and Trade Agreement (CETA) between the European Union (EU) and Canada would increase oil production in the Alberta tar sands, which would worsen its devastating impact on the environment.” In late November officials from several Canadian government departments also visited Berlin and Munich, as part of the tar sands advocacy campaign.
The directive was raised again at the EU-Canada Joint Cooperation Committee in early December. Having been asked by the EU back in July, “Canada provided suggested principles for a comparative study of GHG emissions from fossil fuels.” At the meeting, Canada claimed once again that the EU approach on the FQD was “discriminatory as oil sands have comparable GHG levels to some other crude oil sources.” Canada was reassured that any action by the EU would by “WTO compatible and science-based.”

During that month the United Nations climate negotiations were held in Cancun in Mexico. The Canadians were secretly worried that in the run up to the conference, concerns about climate change “may generate some activity” on the tar sands front. But they were pleased that the UN conference did not agree to any binding agreements and the deadline for action on the FQD had come and gone with no firm proposal on the table. At Cancun Canada was awarded the dubious award of “Colossal Fossil for the year” by the Climate Action Network. “In Fossil terms, today’s winning country is building a dynasty. Day in and day out, it gives 110% in the battle for fossil supremacy.”

Contradictory messages: 2011

Just as 2010 had started with a diplomatic push by the Albertan government, 2011 started with yet another public relations push by the Canadians. On the 7 January 2011, a Diplomatic cable from the British High Commission in Canada sent back to London noted: “One of Stephen Harper’s New Year’s resolutions seems to be to repair the damage done to Canada’s international image by last year’s anti-Alberta ‘Dirty Oil’ campaign and the numerous ‘fossil’ awards collected at international climate meetings.”

It added that “Newly minted, Alberta-born, Environment Minister Peter Kent has gone on the offensive, defending not only the oil sands but also his government’s recent record on the environmental file. The minority Conservative federal government has come under fire domestically and abroad over a lack of action on key issues such as reducing greenhouse gas emissions and addressing environmental damage in the Alberta oil sands. Kent is no stranger to the oil patch, having worked in the industry for a time in the 1960s.”

The dispatch highlighted the contradiction of the Canadian’s response. In the EU the Canadians had repeatedly told MEPs and the Commission that the carbon emissions from tar sands would be addressed, but “Kent says that the Harper government will not impose greenhouse-gas reductions on the oil patch that discourage investment.” This assessment was in stark contrast to promises Hornby had made to EU politicians that the Canadians would bring in regulations to reduce greenhouse gas emissions from tar sands.

The British Diplomat also noticed other lines of the Canadian counter-attack: “Kent went on the record that oil from the oil sands ‘is absolutely ethical in every sense of the word’ … Building on last year’s ‘It may be dirty oil, but at least it’s not bloody oil’ strap-line, Kent said the Obama administration needs to be reminded that, unlike the energy it buys from other foreign suppliers, oil-sands petroleum ‘is the product of a natural resource whose revenues don’t go to fund terrorism.’”

A continuing avenue for the PR push in Europe is the Canadian Embassies across Europe. In January 2011, Canadian diplomatic staff from the Italian mission travelled to London to “participate in an oil sands training workshop” organised by the Canadian mission there. The following month, staff travelled from the Dutch Canadian mission to London as well. Irish officials have also been to London to be briefed on tar sands.
The Albertan government was not standing idle either. The previous year the Canadians had argued that “consideration should be given to hiring a professional PR firm to help the Pan European Oil Sands team further develop and implement a serious public relations strategy.” In January 2011, the British-based PR company, Hanover Communications, working on behalf of the Albertans, started contacting key decision makers in the UK from the policy, political, media and investor community to help the Canadians further this strategy. One person contacted was Will Cavendish, the Director General of the International Energy and Climate Change Group at the Department of Energy and Climate Change.

In a letter to Cavendish, Hanover wrote that “The Government of Alberta is keen to garner a better understanding of key concerns around the oil sands debate.” Hanover is a shrewd choice for the Canadians as it has close ties to the Conservatives. It was founded and run by ex-Conservative Prime Minister John Major’s press secretary, Charles Lewington.

On the 26th January, the Albertan Government announced that Alberta’s Energy Minister Ron Liepert would become Canada’s fourth minister in just over a year to make the PR push to “promote Alberta’s energy sector in Europe.” In London Liepert met with Canadian politicians, the Oil Sands Advocacy Team, the UK Carbon, Capture and Storage Association, the oil industry and the UK Minister of State for Commonwealth Affairs, Lord Howell, who himself visited Canada in April, where oil sands was “a key focus of discussion.”

Under the Freedom of Information Act, the UK government has partially released documents concerning Lord Howell’s meeting with Liepert, although certain sections were withheld under Section 27 and 35 of the Act, in relation to being prejudicial to international relations and the formulation of government policy.

**Slow to act on climate change**

At the meeting Liepert was accompanied by Deputy Minister of Energy, Peter Watson and Jim Wright the Canadian High Commissioner. “Points to make” for Lord Howell included, that the UK remained “concerned about the carbon intensity of production from the tar sands.” The briefing document noted that Alberta, like much of Canada, “has been slow to recognise and act on climate change. It also highlighted the irony of climate change and Canada: “Canada does not see action on climate change as in Canada’s best economic or security interests, yet Canada’s north is feeling the effects of climate change.”

Howell was also given the agreed British position about tar sands and the FQD, which said: “We do not oppose the production of oil from the Canadian oil sands so long as this is pursued in a manner that is consistent with international climate change objectives ... We will look to use the Fuel Quality Directive to develop legislation that will penalise the use of carbon intensive fuels such as tar sands unless abatement processes are used in production whilst being mindful of the impacts on UK refining capacity and energy security.”

In Brussels, Liepert gave a presentation to MEPs on the Delegation for Canada in February 2011. Minutes of the meeting show that regarding the FQD: “Minister Liepert asked that the oil sands should not be unfairly penalised, that all crude oils should be measured on equal standards, and that the assessments should be based on scientifically verifiable data.” Liepert also scare-mongered saying that if the oil produced from tar sands “were to be taken out of production the price of oil would increase dramatically” and that “many jobs would be lost in European companies working in and around the oil-sands industry.”

Liepert also met the chair of the Environment Committee and the Commissioner for Energy and attended a dinner hosted by the Canadian Ambassador to the European Union.
It’s official: tar sands are more polluting

Whilst Liepert was in Brussels, the European Commission published a long-awaited scientific report written by Professor Adam Brandt of the Department of Energy Resources Engineering at Stanford University. The report confirmed that carbon emissions from tar sands were “significantly higher than …industry-average emissions from conventional fuels”. The study concluded that typical “Well-to-Wheel” emissions for tar sands were 107.3g CO2/ MJ compared to 87.1g CO2/ MJ for other oils; so some 23 per cent greater than those for typical conventional sources of oil. 109

However the report was almost immediately withdrawn from the Commission website, leading to accusations of a cover-up. One MEP, Chris Davies, asked “Does the Commission appreciate that the removal of this report, at a time of intense and controversial debate, not least within the Commission itself … created the impression that the Commission had something to hide and that it wished to suppress information potentially inconvenient for particular Commissioners?”110

Miraculously the report soon reappeared on the Commission’s website and the Commissioner for Climate Action Connie Hedegaard, said “there is no reason for suspicion on this matter.”111

Although many independent observers and some in the Commission felt that Brandt’s study should have drawn a line under the scientific argument, it had to be sent to be peer-reviewed, adding further delay to the process. The Canadians and oil industry predictably reacted angrily to the study, with the Albertans saying that Brandt’s figures were out of date. “We think by using more recent numbers, it will be more positive for Alberta,” argued Ron Liepert.112 Two months later, IHS Cera released an updated version of its own report Oil Sands, Greenhouse Gases, and European Supply: Getting the Numbers Right a move destined to undermine Brandt.113

The report also led to further disagreements between DG Climate and DG Trade and further delays of the implementation of Article 7A. Another part of the Commission, the European External Action Service (EEAS) - the newly revamped Diplomatic arm of the EU - was also now increasingly talking to the Canadians over the FQD. On the 25 February the Secretary General of the Service, Pierre Vimont met Ross Hornby. The Commission has withheld information relating to this meeting, as it would undermine international relations.114

But by now the Canadians were subtly changing their lobbying position. In February, Jeanette Patell, the person responsible for the FQD at the Canada Embassy to the EU, contacted personnel in the Parliament on the debate on the Directive. One such email was to Terhi Lehtonen, the advisor to Green MEPs:

“I understand that the Group of the Greens has raised concerns regarding the oil sands and the Fuel Quality Directive. For our part, the Government of Canada is concerned about the potential for oil sands to be singled out under the FQD, while other sources of crude oil with similar or even higher emissions receive more favourable treatment.”115

The following month, Lehtonen was sent an updated briefing paper on Canada’s position on the implementation of Article 7A. Canada’s position had changed from one of outright rejection of the proposal to one where if tar sands were to be given a default CO2 value then so too must all other types of fuels.

Gone was Canada’s opposition to separate default values: the message was now “Treat oil sands crude oil in the same manner as other crude oil sources: if a separate default value for oil sands is established, all other crude sources should also have separate default values.”
Otherwise, “under the current approach: crude oils currently imported into Europe which have the same or even higher GHG emissions would receive more favourable treatment than oil sands crude oil. The stated policy objective of the FQD, therefore, would not be achieved.”

In dropping their opposition to a separate default values, the Canadians were now at odds with the European oil industry that continues to fight for one average default value.

The fight over tar sands was still evident in the on-going trade talks and between European Commissioners. In early February, the commissioner for climate action, Connie Hedegaard, met her counterpart for trade, Karel De Gucht, “to settle a row between their departments over tar sands,” with De Gucht being accused by MEPs of blocking progress on the Directive. The Commission’s Trade department was worried about being taken to the WTO. A spokesman noted the obligation “to ensure that any measure proposed by the Commission meets the requirements of the World Trade Organization.” Despite these concerns, the threats from Canada over trade were set to get much worse.

“Unacceptable” threatening behaviour: March - April 2011

That month Reuters reported that “Canada has threatened to scrap a trade deal with the European Union if the EU persists with plans that would block imports of Canada’s highly polluting tar sands, according to EU documents and sources.” The “sources” within the EU told Reuters that Canada was not just raising the issue of tar sands at meetings but was even “threatening to void the free trade deal”. The Commission was “readying its defenses for a legal fight with Canada”. “We are saying ‘be careful’, because Canada will not hesitate to take us to the WTO, so we have to have something rock-solid,” an EU official told Reuters.

The Reuters report forced Ottawa’s Trade Minister Peter Van Loan to deny that Canada has threatened to scrap the proposed multibillion-dollar free trade deal if Europe went ahead with the directive. “This issue is being dealt with separately from the free trade discussions, so I do not anticipate it will have an impact on the timing or the outcome of those free trade talks,” Van Loan said.

But separate it was not. A month later, in March 2011, a letter written by Canadian trade official Mark Richardson was sent to Europe's commissioners for Climate, Trade and Energy. It was a veiled threat against the Commission. “Given the desire for freer trade between us, it is important that our individual efforts to address climate change do not lead to the creation of unnecessary barriers ... The government of Canada believes this approach raises the prospect of unjustified discrimination and is not supported by the science.” Reuters said the letter left EU officials in little doubt they were being threatened with action at the WTO.

The lobbying of the External Advice Service continued: In March 2011, the EU’s High Representative Catherine Ashton met Canada’s Foreign Minister Lawrence Cannon during the G8 Foreign Minister’s Meeting “in response to the Foreign Minister concerns over the classification of the oil sands in the Fuel Quality Directive”. The EEAS refuses to release details of this meeting and of a letter Cannon sent to Ashton later that month as they once again it would “undermine international relations”. Details of two phone calls made between the Canadian Assistant Deputy Minister for relations for Europe, Jillian Stark and the EEAS have also not been released for similar reasons.

By now, MEPs were becoming more vocal against the Canadian position. In a debate at the European Parliament on 23 March, Satu Hassi, the Green Party MEP said: “The government of Canada has been lobbying us in a manner that is not acceptable.”
**No reason to delay**

Linda McAvan, a British MEP said: “I know there has been a lot of lobbying about this, we have all heard about it, we have met the different lobbyists, and even now that we know that tar sands and oil shale are dirtier than conventional oil, we are now being told ‘no, let us have more studies, let us have more time’. But we have the facts on tar sands now, so I do not see any reason to delay.”

But delay the Canadians did and one way was by trying to undermine Adam Brandt’s survey. The Canadians “supported” a workshop in March 2011 at the Centre for European Policy Studies, on “Comparing approaches to Life Cycle Analysis of Crude Oil,” that was moderated by Concawe the oil industry lobby group.

Although Brandt was invited to speak, three of the four other experts were connected to the oil industry, work for the industry or have consulted for the Canadians on tar sands. Participants saw the event as designed to undermine Brandt’s analysis as well as to argue that further research was needed as well as a comprehensive peer review of Brandt’s study.

In early April, the Parliament’s International Trade committee raised concerns about tar sands. A draft of the report on EU-Canada trade relations said the Parliament was concerned “about the impact of the extraction of tar sands on the global environment” because of the high level of CO2 emissions released and the threat posed to local biodiversity.

This did not stop numerous Canadian civil society organisations writing to Hornby and other senior Canadians to “request an end to all lobbying of the European Parliament on the behalf of the Canadian government to weaken the European Fuel Quality Directive ...This pattern of lobbying the EU to weaken climate policy is unacceptable.

Unacceptable it may have been, but the lobbying did not stop. In May 2011, the International Association of Oil & Gas producers (OGP) organised an “Experts Workshop” on the directive, with the slogan “Finding a workable solution for all parties”. i.e. finding a solution that was acceptable to Canada.

The bias was evident in the literature, which repeated many of the Canadian PR lines, including “energy security” as well any penalties on oil sands crudes “cannot be systematically and rigorously justified”. The bias was also evident in the experts put forward to discuss the issue:

- John Cooper: from the OGP;
- Samantha Gross: from Cambridge Energy Research Associates;
- Jeanette Patell, from Canada’s Mission of Canada to the EU.

Commission officials who were invited included Philip Owen from DG Climate, but NGOs were not officially invited. At this workshop IHS CERA launched its next version of the Getting the Numbers Right report, a tactic designed to once again undermine the Brandt study.

Brandt’s study and its peer reviews were finally discussed at a meeting organised by the Commission on the 27 May. At the meeting the Commission announced the results of its peer review. A separate greenhouse value for tar sands was seen as scientifically justifiable, although the default value was reduced to 107 from 107.3.

The following month, the European Voice and Comment Vision held a conference sponsored by Shell at which Samantha Gross from IHS CERA and Jeanette Patell spoke again. This time the debate was
more balanced with Green MEP Satu Hassi and Nuša Urbancic, from the NGO, Transport and Environment. 133

The Canadians showed no let-up in their lobbying. On the 15 to 17 June, the Federal Government of Canada and Alberta Government hosted a debate on “New energy frontiers” at Wilton Park, in West Sussex in the UK. An executive arm of the British Foreign Office, Wilton Park hosts exclusive policy events. A key part of the debate was on tar sands, where the following spoke:

- David Morhart, who works on tar sands strategy at the Energy Department, from the Government of Alberta,
- Greg Stringham, Vice-President, Markets and Oil Sands, Canadian Association of Petroleum Producers (CAPP)
- John Donner, Assistant Deputy Minister, Clean Energy Division, Government of Alberta;
- Doug Heath, Oil Sands and Energy Security Division, Natural Resources Canada134

Two days after the Wilton Park conference, the latest Pan-European Oil Sands lobby tour to Alberta occurred. The delegates included scientists from Germany; a politician from Belgium; Diplomats from Britain, France, Sweden, Poland and civil servants from England, Scotland, Belgium and Italy and a policy advisor to the World Energy Council.

They were accompanied by Canadian officials active on the tar sands debate in Europe, including Sushma Gera from the High Commission in London and Paul Khanna from Natural Resources Canada, who a year earlier had written the memo about the need for the Canadians to “up their game” on spinning tar sands.

The delegates flew from Europe to Edmonton. Their first meeting was with Cameron Brown, the Director of Advocacy for Albertan International and Intergovernmental Relations. They then received “government briefings” and then an alternative view of tar sands from the Pembina Institute, the only critical voice on the tour. There then followed briefings from the Energy Resources Conservation Board, a quasi-judicial agency of the Albertan government.

The main focus of the tour were site visits and the European delegates saw CCS projects; had a day trip to Syncrude’s operations in Alberta and a morning trip to CanmentEnergy in Alberta. 135 Delegates were handed material that reiterating the key themes that the tar sands were a “strategic resource” for the world and that Canada had made a commitment to reduce its GHG emissions by 17 per cent from 2005 by 2020. 136

Just days before, though, Canada had been “roundly criticised” by other nations at a major UN climate meeting for being “caught under-reporting carbon emissions from its tar sands” operations. Even the “full emissions” data that Canada finally released represented only about half of the actual emissions. A new report by Canadian researcher, Michelle Mech had found that “small oil sands companies are not required to report their emissions. And oil-refining emissions are not included in tar sands emissions.” 137

At the end of June, Jeff Sundquist, the managing director of Alberta’s London office, and another crucial player behind the scenes in the tar sands debate, issued a further broadside against the FQD. Sundquist, who by now was a frequent visitor to Brussels, argued that the EU risked triggering “a fresh fuel crisis” if the Directive was implemented imposing an “unfair” value on the Canadian tar sands: “This is unfair discriminatory treatment which threatens energy security and could easily see prices rise,” he said, calling for further scientific studies to be done. 138 So the Canadian attempts to delay action continue.
Conclusions

Over the last two years, the government of Canada has undertaken an unprecedented lobby effort to derail one of the EU’s flagship climate policies: the Fuel Quality Directive. At the core of Canada’s action is fear that this policy could set a global standard and restrict its export of oil coming from tar sands. To achieve its goal, the Canadian government works hand in hand with the oil industry. In Europe, it also uses help from Europia (European Petroleum Industry Association)\textsuperscript{139} and OGP (International Association of Oil & Gas producers)\textsuperscript{140} - both are Brussels based oil industry EU affairs lobby arms.

The sheer size of this effort in the EU - more than 110 lobby actions were undertaken -, the tactics deployed and the continuous denunciation of scientific evidence provided by the Commission can result in undermining the credibility of the Canadian government among its European partners. This may already have happened as numerous EU officials have spoken out about the unacceptable manner of Canadian lobbying on tar sands and the FQD.

This report shows that EU officials and the public have been subject to a concerted and well-planned lobby campaign aimed at misleading and dividing European decision makers and delaying a final decision on emission values for oil from tar sands. It is time that Canada uses its energy and efforts to address the negative impacts of tar sands at home rather than undermining climate policies of the EU.

The EU should no longer be swayed by Canadian scaremongering over the FQD. Both the Canadian government and the Albertan governments continue to argue for more research and more time in order to try and delay the directive. But independent science is settled on this, and the key Commission study by Adam Brandt has now been peer-reviewed. There is now nothing to stop the Commission from acting boldly to protect the climate.

Recommendations

1. Government of Canada

The production of oil from tar sands results in 23% higher GHG emissions than from conventional oil. The Canadian government must stop questioning independent scientific evidence that proves the assessment of these emissions and should stop promoting contradictory studies.

In 2009 the Canadian government developed a secret Pan-European Oil Sands Advocacy Plan that resulted in over 110 lobby events aiming at undermining the EU FQD. The Canadian government should stop its efforts to undermine the EU FQD and to derail EU climate policies.

In Europe, while lobbying the FQD, the Canadians have promised to take measures to reduce CO2 from tar sands while at home the Canadian government has issued official statements that it will not introduce GHG legislation that cuts investment in tar sands. The Canadian government must disclose the genuine GHG footprint of tar sands and stop making false promises. It should take serious measures to address the negative impacts of tar sands.
2. European Commission

The Fuel Quality Directive is an important measure to reduce the greenhouse gas emission from transport fuels. **European decision makers should show leadership by ensuring that the Fuel Quality Directive takes into account the real carbon footprint of tar sands and not to give in to Canadian and oil industry pressure.**

The EU refused access to a large number of documents regarding communications between the Canadian government and European decision makers. Canada’s interests should not override European citizens’ rights to transparency. **The European Commission must be more transparent in its proceedings and disclose full information requested by EU citizens.**

3. Fuel Quality Directive

Transport fuels produced from ‘unconventional’ sources such as tar sands, have particularly high GHG emissions. If oil companies were to report the same GHG values for these, as for fuels produced from conventional sources, then there would be nothing to restrict their use in the EU. The GHG intensity of Europe’s fuels would actually increase not decrease. This is why fuels produced from these ‘unconventional’ types of feedstock need to be assigned specific default values which companies are obliged to use in their reporting.

**Friends of the Earth Europe and other civil society organisations from Europe and North America advocate that the FQD must include a specific default value for tar sands as established in the recently published Commission studies.** Tar sands are unconventional fossil fuel feedstock, and fuels produced from them are more GHG intensive than those derived from conventional crude oil. Tar sands need specific GHG values to reflect their higher emissions – just like the other unconventional feedstocks, oil shale, coal to liquids and gas to liquids, for which specific default values are already included in the FQD.

The Directive should ensure that by end of 2012, it includes disaggregated default values for extraction and refining methods for all fossil fuels. Robust reporting requirements should be immediately introduced to provide the data to calculate these future default values, to take account of the wide differences in GHG emissions across different extraction and refining methods, for example enhanced oil recovery and offshore drilling. This will give companies an incentive to maximise their GHG emission savings across the supply chain.

Production of oil from tar sands is no longer limited to Canada with oil companies investing in development of tar sands around the world. **Time is critical since unconventional oil resources are about to go global.** New deposits of tar sands and other unconventional oil have been discovered or are already being exploited in countries such as Venezuela, Madagascar, Congo-Brazzaville, Russia, Jordan, Nigeria and Angola.

One new frontier for tar sands development is Africa, a region already highly vulnerable to the impacts of climate change. Apart from making a mockery of climate protection, tar sands production in Canada has resulted in serious damage to local communities and the environment, including destruction of the boreal forest and increased pollution that has impacted on the health and livelihoods of First Nations communities. In countries with weaker political and environmental governance frameworks, the consequences of its expansion are likely to be even more devastating.
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