

Moratorium Now!

6 Good Reasons why there should be a Moratorium Now on the expansion of the Alberta Tar Sands.

It may be the largest known hydrocarbon deposit yet discovered on this planet. It contains between 175 and 200 billion barrels of proven oil reserves using existing technologies alone. Indeed, there may even be as much as 2.5 trillion barrels of oil to be found in the three Alberta deposits --- Athabasca, Peace, and Cold Lake --- if new and rather questionable technologies are developed to access these hidden resources. Three major mining projects are now underway in the Alberta tar sands with three more in the planning stages. A new Mackenzie valley gas pipeline is planned to fuel the extraction processes of this mega energy scheme.

The Alberta tar sands are poised to become the crown jewel and centerpiece of a new continental energy corridor for the U.S. According to the report of the National Energy Policy Development Group in Washington DC, appointed by President George W. Bush and headed by Vice President Dick Cheney, the U.S. not only reached its peak in domestic oil supplies in 1970 but since then has become increasingly dependent on foreign oil imports. Now, due mainly to synthetic petroleum from the Alberta tar sands, Canada has surpassed Saudi Arabia as the number one exporter of oil to the United States. As well, Canada is seen as a much more stable and reliable supplier of oil than the Middle East and Venezuela, the traditional sources for U.S. imports.

Extracting oil from the Alberta tar sands has profound environmental and social costs. It involves either gigantic excavators that strip away the hitherto untouched boreal forest, muskeg and top layers of earth to open up huge open pit mines or "in-situ" pumping of steam deep underground to loosen the bitumen ['black goo' similar to asphalt]. The bitumen is then upgraded into synthetic oil using massive amounts of water and natural gas and other chemicals [some of which are highly toxic]. .

According to the Pembina Institute tar sands mining requires 750 cubic feet of natural gas for each barrel of oil. "In-situ" methods require 1500 cubic feet of natural gas per barrel. The tar sands consume as much gas every day as is needed to heat half the homes in Canada. Through these high energy-intensive processes, the tar sands industry now produces just over one million barrels of dirty crude oil a day mostly for export to the U.S. in order to provide an uninterrupted fuel supply for its transportation [including energy guzzling SUV vehicles] , industrial and military operations.

And now, behind the scenes plans are underway to rapidly expand Alberta's tar sands exports over the next few years. In January 2006, at a two-day summit organized by Natural Resources Canada and the U.S. Department of Energy in Houston, Texas, leading industry and government officials from both countries pledged to rapidly increase tar sands production from one million to five million barrels of oil per day [bpd]. Yet, a five-fold increase would be highly optimistic, in view of the National Energy Board's predictions that reaching three million bpd by 2015 would be stretching it. Nevertheless, if this five-fold increase target were achieved, Canada would be supplying one quarter of all U.S. oil consumption and close to one half of all American imports, assuming all of the tar sands crude is exported.

To meet this export target, the U.S. expects Canada and Alberta to relax their already limited environmental and social regulations for mega-energy developments. As CBC News reported, the minutes of the Houston summit make it clear that Canada would have to "streamline" its environmental regulations for new energy projects, if it is to quickly multiply its output by 500 percent. Additional pipelines from Canada to the U.S., says the American Petroleum Institute, must also be constructed immediately to transport increased oil exports. As a result, tar sands mania has taken root in Alberta which, in turn has profound impacts for Canada and our environmental responsibilities.

What's more, Canada is obligated to maintain its oil exports to the U.S. The proportionality clause of the North American Free Trade Agreement [NAFTA] requires Canada to continue exporting oil at a level that is the same or above the average volume of exports during the previous three years. Canada could, through the National Energy board, require that our oil exports not exceed the current ration of production to exports [which is around 66%] But if, for conservation purposes, Canada were to introduce a quota, let alone a ban, on our oil exports to the U.S., Washington would likely invoke NAFTA and retaliate. And now, big business interests in Canada want to further solidify this obligation by incorporating a 'resource security pact' between Canada, the United States and Mexico through the new Security and Prosperity Partnership.

Although these resources, according to the Canadian constitution, belong to the peoples of Alberta [including First Nations], there are citizens of this province and elsewhere in Canada who believe the time has come to put a halt to this tar sands mania before it is too late. While there are three massive mining fields in operation today, involving 69 tar sands projects, more than 65 percent of the lands designated for tar sands operations are still available for lease and/or exploration. Canada must not become known as the 'Tar-Nation' of the world by allowing an expansion of tar sands development.

We, therefore, maintain that a moratorium must be placed on the further expansion of this mega energy corridor until certain fundamental conditions are met. In particular, we call on the Government of Canada and the Government of Alberta to take the necessary and immediate steps to invoke a MORATORIUM on the further expansion of the Alberta tar sands until a set of basic environmental and social conditions are satisfactorily achieved.

1. Ecological Blowout

The deep mining and extraction of crude oil from the tar sands in Alberta has already generated a series of ecological threats:

- **greenhouse gas emissions** from tar sands production are three times those of conventional oil and gas production [currently tar sands production emits 27 megatonnes annum and is expected to rise to 108-126 megatonnes per annum by 2015]. Thus, the tar sands are now poised to become Canada's largest single emitter of greenhouse gas, compounding this country's contribution to global warming;
- **water depletion & pollution**, where an average of 2 to 4.5 [and as high as 7] barrels of water are used to produce one barrel of oil, thereby seriously lowering the water levels of the Athabasca River, the Mackenzie Valley watershed and other related water sources in the region. And, toxic water spewing from tar sands production has infected fish and wildlife, causing sickness among Aboriginal peoples downstream;
- **boreal forest destruction** through the stripping away of the Athabasca forest lands through oil mining operations, thereby digging a huge hole in the northern lungs of the planet that could, if completed, encompass the size of the state of Florida. Yet, the boreal forests have a key role to play in the sequestration of carbon dioxide emissions from greenhouse gases;
- **tailings ponds**, vast holding tanks the size of lakes, some as large as 15 square kilometers, containing hydrocarbons and other chemical by products from tar sands production.

A **moratorium** must be put on the expansion of tar sands development until the industry is able to meet mandatory targets for the progressive reduction of greenhouse gas emissions across the board [not 'intensity targets,' which only set GHG limits to per barrel of oil, and fail to cover expansion of production]; the targeted reduction of water consumption and pollution; along with new and revised obligations and conditions for restoration of the forests and the full clean up of the tailings ponds --- recognizing that failure to satisfactorily meet all these targets will result in severe penalties.

<h2>2. Energy Insecurity</h2>	<p>The massive development of the Alberta tar sands to export crude oil to the United States is already undermining Canadian energy security:</p> <ul style="list-style-type: none"> • natural gas depletion in Alberta where dwindling reserves are rapidly being used to fuel tar sands production, thereby seriously reducing existing supplies of natural gas required for Canada's own energy security [Canada has only 8.7 years proven supply left] as well as natural gas pipelined in from the Canadian High Arctic which would be sufficient to fuel every home in Canada; • oil imports where, despite growing oil exports to the U.S., Canada is importing one million barrels of oil a day [over 40% from OPEC countries] to meet energy needs in Ontario, Quebec and the Atlantic provinces; • energy inefficiency, whereby vast amounts of a relatively clean non-renewable fuel like natural gas is used to produce a dirty fuel like tar sands crude oil --- 'turning gold into lead' --- thereby resulting in a net loss in terms in energy efficiencies; • nuclear power, proposed as a substitute for natural gas in fuelling tar sands extraction, raises profound problems about safe storage of nuclear wastes and corresponding insecurities, especially in the fragile northern ecology. <p>A moratorium must be put on the expansion of tar sands development until a made-in-Canada energy policy and strategy is developed that includes: reduction of oil exports in order to replace the one million barrels a day imports by eastern Canada; a renegotiation or termination of the proportional energy sharing clause in NAFTA; firm commitments to reduce fossil fuel addiction plus a corresponding plan for transition to safe renewable energy sources for the future; and determined programs to conserve and deliver existing natural gas supplies to meet Canadian needs.</p>
<h2>3. Aboriginal Lands</h2>	<p>The planned construction of the MacKenzie Gas Project to provide more natural gas from the High Arctic to fuel the Alberta tar sands development has serious implications for Aboriginal peoples, especially the Dehcho First Nation:</p> <ul style="list-style-type: none"> • un-surrendered lands --- the Deh Cho have not yet negotiated a land claim settlement with the federal government, which views their land as a resource bonanza for oil, gas, and subsurface minerals, and intends to extinguish their Aboriginal rights to the land mass over which 40 percent of the proposed gas pipeline will pass; • ecological havoc due to tar sands development is already being experienced by the Dehcho in the form of global warming of glaciers from greenhouse gas emissions, destruction of the non-renewable permafrost plus the draining and polluting of water systems in the already fragile ecosystem of the North; • unequal economic benefits for both the Dehcho and the rest of the Northwest Territories due to the lack of a fair royalty regime for the extraction of natural resources and an equitable development plan, leaving the North to cope with boom and bust cycles contrary to the 1976 report of Justice Thomas Berger. <p>A moratorium must be put on the expansion of the tar sands until a just settlement has been negotiated and implemented for the Dehcho's land rights, effective measures are taken to reverse the global warming and water depletion impacts of tar sands operations, and a fair royalty regime is instituted for the people of the NWT and also First Nations in Alberta affected by the tar sands.</p>
<h2>4. Boom &</h2>	<p>The model of development used in regards to the tar sands, while stimulating a</p>

<p>Bust</p>	<p>boom in the job market, seriously runs the risk of creating a boom and bust scenario for Alberta as the primary oil producing province:</p> <ul style="list-style-type: none"> • <i>haphazard development</i>, due to the rapid dispersal of production permits for the tar sands which, in turn, has led to the overheating of the Albertan economy and an uneven pattern of economic growth; • <i>resource revenues</i>, where the people of Alberta and their Heritage Fund receive among the world's lowest royalty returns on the extraction of oil from the tar sands; • <i>secondary manufacturing</i>, where insufficient priority has been put on upgrading Alberta's oil production for long term development by stimulating, for example, petro-chemical manufacturing and stopping raw bitumen exports; • <i>foreign ownership</i> of the petroleum industry in Alberta by major U.S. oil companies which substantially reduces the ability of the Alberta government to ensure that development priorities and conditions are met. <p>A <i>moratorium</i> must be put on the expansion on the tar sands until a more orderly model of development has been advanced that includes greater public control over leasing and production permits, the renegotiation of a new and fair royalty regime for Albertans, a new environmentally sensitive plan for stimulating secondary manufacturing of petroleum derivatives, and a plan of action for reducing foreign ownership and increasing public control of the petroleum industry in Canada.</p>
<p>5. Social Damage</p>	<p>At the same time, this boom and bust pattern of development has been generating serious social damage for the people and the local economy and society of Ft. McMurray and surrounding Wood Buffalo region:</p> <ul style="list-style-type: none"> • <i>inadequate public revenues</i> for the local governments of Ft. McMurray and surrounding Wood Buffalo region, from the Alberta government, to provide public services desperately needed; • <i>collapsing social services</i> in the region where local governments have had to cope with a rapidly growing population along with severe housing shortages, poor garbage clean-up, rundown schools and health facilities, rising crime rates and bad roads; • <i>cheap labour practices</i>, which allow oil companies operating in the tar sands to cut their labour costs by hiring non-unionized workers and workers from other countries, thereby circumventing the building trades unions and proper work standards in Alberta plus skewing the skilled trades pool and wages in Ontario, Quebec and Atlantic Canada. <p>A <i>moratorium</i> must be put on the expansion of the tar sands until there has been provincial government assurance of adequate resources for Ft McMurray and the surrounding region to provide much needed public services and a new negotiated agreement with Alberta unions involved in the oil industry for a more orderly development of the tar sands.</p>
<p>6. Military Links</p>	<p>The Alberta tar sands is the centerpiece of an energy corridor for exports to the U.S. which is increasingly geared to fuel America's military machine:</p> <ul style="list-style-type: none"> • <i>U.S. military economy</i>, which has been largely rebuilt and re-invigorated since the attacks of September 11' 2001, the ongoing war on terrorism, and the invasion of Iraq, has substantially increased U.S. demands for imported oil; • <i>Pentagon's oil consumption</i> --- the Pentagon is the single largest institutional buyer of oil in the world, consuming an estimated 85 percent of the U.S. Government's use of oil; • <i>Canadian oil exports</i>, which are now the U.S.'s number one source of imported oil, has therefore become a major contributor in fueling the U.S. war machine. <p>A <i>moratorium</i> must also be placed on the expansion of the tar sands until there has been a full public debate about Canada's foreign policy in relation to oil exports and the role they play in fuelling the global war economy and increased militarization.</p>

As Canadians, as Albertans, we do not want to become known around the world as the 'Tar-nation.' Instead, we want Canada to lead the way in providing a safe, sustainable energy future. This calls for joint leadership on the part of both the Alberta government and the Canadian governments. New federal-provincial partnership agreements are needed to tackle climate change and global warming priorities and develop a corresponding made-in-Canada energy security policy and strategy. To achieve these ends, concerted action must be taken to renegotiate or terminate the proportional energy sharing agreement in NAFTA, develop and institute a fair royalty regime of resource revenues for Albertans and Canadians, and put in place a plan of action for ensuring greater Canadian and/or public ownership of the petroleum industry in this country.

For the sake of present and future generations, we are calling for a **Moratorium Now** on the expansion of the Alberta tar sands enterprise until the fundamental conditions outlined above are satisfactorily met.