

# Canada has to prove oilsands not dirtier fuel: EU official

Postmedia News - Nov 02, 2011, Postmedia News  
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OTTAWA - The European Union will gladly listen if Canada can present scientific proof that fuel derived from oilsands is no more harmful to the environment than conventional oil, says the head of the European Parliament's trade committee.

But Vital Moreira said without such evidence, the EU will continue to consider the oilsands a dirty source of energy and treat it as such in fuel- quality standards and other environmental regulations.

“If Canada has any reason to challenge the data, it is free to do so,” Moreira told reporters in Ottawa on Wednesday. “But I think no one challenges that oil coming from oilsands has a much greater degree of CO2 in their life- chains from their extraction. From extraction to the motor to the wheel, as we say.”

A fuel-quality directive that would penalize the Canadian oilsands and label them among the dirtiest crude sources on Earth has been proposed by the European Union and is expected to be voted on in December.

The Harper government and Canada's energy industry have launched a major lobbying campaign to dissuade the 27-member bloc - one of the world's largest markets - from adopting the directive.

Canada believes the fuel directive is discriminatory against the oilsands because it singles out the resource as having higher carbon emissions with no sound scientific studies examining the greenhouse gases from conventional oil that the EU actually imports. Ottawa also fears the EU's actions could severely damage the oilsands industry's worldwide reputation and close future export markets.

But Moreira defended the EU's assessment of the oilsands, arguing it is based on scientific data.

“If Canada has any reason to challenge the data, it is free to do so,” he said. And he refuted suggestions the bloc is discriminating against Canada.

“For me it's quite clear, and for most of my colleagues in Parliament,” he said. “It is an environmental issue. It's about releasing CO2 emissions in the life-chain of each fuel.” Moreira is in Canada leading a delegation of European members of Parliament. He said the delegation has met with government officials, representatives from Canada's energy and pharmaceutical industries, civil society groups and labour unions.

Speaking about the ongoing Canada-EU free-trade talks, Moreira said progress is being made, with only a few outstanding issues remaining. One of those is intellectual property. Brand-name pharmaceutical companies in Canada and Europe want stronger protection for their products to encourage innovation, while provinces and generic drug-makers are worried about higher prices and lost jobs. Moreira advocated for the former.

**``Developed economies are about innovation and about research and about science-based innovation," he said. ``We cannot compete with emerging economies in simple goods and simple services. So we should defend our innovative edge, and it comes mainly from research-based innovation."**

At the same time, he downplayed questions over whether Canada's continued support for the country's egg, poultry and dairy sectors would scuttle any deal, as some European officials have warned.

``Of course, there are sensitive questions on the Canadian side and sensitive questions on the European side," he said, adding that a compromise could be reached.

During the recent federal election campaign, the Conservatives promised to complete negotiations with the EU by 2012.

Moreira said ``there is a political momentum, and I think we are at the right time to push for the last stage of negotiations."

``But there should be no deadline," he added. ``Trade agreements are concluded when both parties are satisfied with the agreement."