

# The Alberta oil sands' European allies

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OTTAWA— From Thursday's Globe and Mail

Published Wednesday, Feb. 22, 2012 9:10PM EST

It's hard to look at the rows of tall, gleaming energy-company power towers in downtown Calgary and think of the oil sands as a baby, but to the rest of the world, it's still in its infancy. That's why there's a fight over the oil sands in Europe.

Ottawa fears that a European Union vote Thursday will label Alberta's oil sands as the dirtiest source of fuel. But the irony is that some of those Calgary towers are stamped with the logos of big European oil companies.

That's why what was just months ago expected to be a routine EU committee vote on a proposed Fuel Quality Directive – which rates fuels based on greenhouse-gas emissions and labels oil sands by far the dirtiest – is now too close to call.

Though oil has been extracted from Alberta's oil sands for decades, it's only in the past 10 years that the world has really understood that they are the planet's third-largest reserve. Foreign companies rushed in, and environmentalists recoiled at more oil to burn, with higher emissions. The two are clashing Thursday in Brussels. There will be more such battles.

At one Calgary office tower, Greg Stringham, vice-president for markets and oil sands at the Canadian Association of Petroleum Producers, has led a lobbying campaign over the Fuel Quality Directive for well over a year. It took him to European capitals, and European companies that sell equipment to Alberta's oil patch.

But Mr. Stringham's best allies are just a few blocks away, along 4th Avenue Shell Canada, a subsidiary of Anglo-Dutch oil giant Royal

Dutch Shell, has a tower there. Two blocks away is the BP Centre, home of the British-based company's Canadian operations, and France's Total takes up the floors at the top. All are now invested in the oil sands.

Just months ago, Mr. Stringham, a slender engineer who rhymes off oil facts in rapid-fire conversation, seemed to be fighting a losing battle. The EU measure was already in the hands of a technical committee expected to vet details, not make political decisions. The EU doesn't even buy Alberta oil, so Canadian producers didn't have allies in worried European customers.

But Shell and BP and Total did worry about the oil sands' reputation. They own part of it. They joined the lobby. Their countries shifted sides.

Britain, once critical of Canada's climate policies, took Ottawa's side last fall under Conservative Prime Minister David Cameron. The Netherlands opposes the EU proposal. On the weekend, France decided to abstain in the vote. France's Total is planning a major oil-sands expansion,. That affects France's view of its interests.

"It's got to be part of it," Mr. Stringham said. "But they're getting the pure feed of information back that comes directly through that conduit, as well, that helps them make that decision."

Stephen Harper's government lobbied hard. It threatened trade litigation, even while separately negotiating a trade agreement with the EU. It's not about EU exports, but how the oil sands are framed for the future.

The Fuel Quality Directive sets values on how much carbon emissions are produced by each type of oil, so standards can be set to reduce them. Extracting oil from the oil sands requires burning more energy than drilling a well so it's given a higher emissions rating.

The oil patch lobby isn't trying to stop it outright. It's unstoppable. But the EU regulation could be a pattern for other places to follow. The industry, Ottawa, and Alberta want to change the ratings to shades of grey, so the oil sands don't stand out as the bad guy. They argue extracting some other oils, in Venezuela or Nigeria, produces similar levels of emissions, but the categories don't account for that.

Alberta's international affairs minister, Cal Dallas, said Alberta can accept the oil sands being rated at the high end of a spectrum: "What we can't accept is that there are oils coming from jurisdictions where there are practices in place such that perhaps they would be viewed as higher on that scale or perhaps they should be viewed in the same light as oil sands."

Groups like Friends of the Earth Europe argue that's double-talk designed to mask higher emissions than conventional oil. Their broader fear is that burning this vast new source of high-emissions oil delays a shift off oil. "It's going in the wrong direction," said FOEE's Darek Urbaniuk.

It's not clear who will win Thursday's vote. But it won't be over. If it's blocked at this committee, there will probably be another vote of ministers from EU countries. Some standard will come. European countries once breezing toward giving oil sands a label they feared now realize they own a piece of it. But the oil sands are now an icon. There are more such battles to come.